

1985

# Provincial Restructuring Of Municipal Government: A Comparative Analysis Of New Brunswick And Nova Scotia

Harley Louis D'entremont

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PROVINCIAL RESTRUCTURING OF MUNICIPAL GOVERNMENT;  
A COMPARATIVE ANALYSIS  
OF NEW BRUNSWICK AND NOVA SCOTIA

By

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Submitted in partial fulfillment  
of the requirements for the degree of  
Doctor of Philosophy

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March, 1985

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## ABSTRACT

During the past twenty years, both Nova Scotia and New Brunswick established Royal Commissions which recommended large-scale reform in provincial-municipal relations. The eventual results were very different, with the New Brunswick government proceeding with most of the reforms proposed by its Commission (Byrne) whereas the Nova Scotia government rejected most of its Commission's (Graham) recommendations. The different outcomes in the two provinces can be explained by focusing on certain characteristics of each province's decision-making structures and patterns of demand articulation.

It is argued that political variables are more important than environmental variables for the explanation of public policy. As a result, Salisbury's approach to the study of public policy was adopted rather than the output studies approach. Although it is not possible to establish generalizations based on data derived from only two cases, this study shows that the theoretical elements contained in Salisbury's conceptual scheme are useful for the study of public policy, although refinements had to be made. The decisional system had to be defined in terms of the key

elements of the Canadian political system. Consequently, the decisional system was examined largely in terms of executive-bureaucratic arrangements. Moreover, the analysis of demand patterns utilized the seemingly neglected distinction between demand patterns of limited versus broad scope.

The New Brunswick experience following the Byrne Commission was one of redistributive policy with the introduction of the 'Program for Equal Opportunity' which resulted in massive changes in provincial-municipal relations. An analysis of the demands in relation to the Byrne Commission confirmed that they were of an integrated pattern of broad scope, hypothesized by Salisbury to be associated with redistributive policy. Moreover, the decisional system in New Brunswick was found to be integrated.

The Nova Scotia policy response to the Graham Commission was one of self-regulatory policy in that the provincial government delegated de facto authority to the municipal sector, through the Union of Nova Scotia Municipalities, for the development of municipal policy. The decisional system in Nova Scotia was fragmented. Although different from the New Brunswick situation, the demand pattern in Nova Scotia can also be described as integrated; it was, however, of limited scope.

## ACKNOWLEDGEMENT

The successful completion of this research would not have been possible without the help of a number of people. I wish to thank my supervisor, Professor Allan O'Brien, as well as Professor Robert Young and Professor Andrew Sancton, for their very helpful advice. I also wish to thank Donald J. Savoie of the Canadian Institute for Research on Regional Development for his very helpful comments as well as for the use of his Institute's facilities. Jacqueline deserves my thanks for having typed the final draft, including numerous corrections.

Finally, I wish to express my love to my wife. Not only did she have to live with me during the many years I worked on my doctorate, she also typed numerous drafts of my thesis, as well as assisted in the editing and proofreading.

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## Chapter 1

### INTRODUCTION

During the past twenty years, both Nova Scotia and New Brunswick established Royal Commissions to undertake comprehensive studies of their respective systems of local government. Each commission recommended large-scale reform in provincial-municipal relations. However, the eventual results of those recommendations were very different, with the New Brunswick government proceeding with most of the reforms proposed by its Commission whereas the Nova Scotia government rejected most of its Commission's recommendations. This study will show that the different outcomes in the two provinces can be explained by focusing on certain characteristics of each province's decision-making structures and patterns of demand articulation. In so doing it addresses some of the major issues raised in recent studies of the policy-making process.

In 1960 the Liberal government of Louis Robichaud came into office in New Brunswick and two years later (1962) established a Royal Commission on Finance and Municipal Taxation, chaired by Edward Byrne. The Commission's terms of reference included the entire field of provincial-municipal relations. In 1963, the Byrne Commission submitted a report which recommended sweeping changes in the local government system of New Brunswick: (1) the abolition of county (rural)

government; (2) the transfer of responsibility for general services (education, health, social services and the administration of justice) to the provincial government; and (3) a complete overhaul of the revenue base of municipalities, including the introduction of an equalization element. Most of the Commission's recommendations were accepted by the government which then proceeded to implement them under the name of the 'Program for Equal Opportunity'. This program, labelled as a revolution by a contemporary student of provincial-municipal relations,<sup>1</sup> considerably reduced the burden of taxation in the poorer regions of the province, while dramatically improving service levels in these same regions.

In 1971, one year after having taken office, the Liberal government of Gerald Regan in Nova Scotia embarked on a similar path as the one followed by Louis Robichaud in New Brunswick. The Royal Commission on Education, Public Services and Provincial-Municipal Relations, headed by John Graham, was empowered to inquire into all matters pertaining to local government in Nova Scotia. The Commission's Report, completed in 1974, also recommended sweeping changes in provincial-municipal relations: (1) the creation of eleven single-tier regional governments to replace the existing sixty-five municipal units; (2) the transfer of responsibility for general services (education, health, social services

and the administration of justice) to the provincial government; and (3) a complete overhaul of the revenue base of municipalities. Although the Liberal government had appeared eager for municipal reforms when it created the Royal Commission, by 1974/75 it had lost the enthusiasm for implementing changes when faced with opposition on the part of many municipalities. To date there has not been any reduction in the number of municipal units in Nova Scotia.<sup>2</sup> Moreover, the division of responsibilities between the provincial and municipal levels of government has remained virtually unchanged with only one function, that of assessment, being transferred from the municipal to the provincial level. However, the municipal grant system was modified in 1980 as a result of the work of a Joint Task Force composed of representatives of the Department of Municipal Affairs and the Union of Nova Scotia Municipalities which had been set up in 1976 following municipal opposition to a series of bills on municipal finance.

The different policy impacts of the commissions can be explained by important differences in the characteristics of the decisional systems and of the pattern of demands made upon the two governments. These structural differences will be examined in light of Robert Salisbury's typology of public policy,<sup>3</sup> which hypothesizes that different types of

policy result from various combinations of decisional systems and demand patterns.

Although both the Byrne and Graham Commissions covered many topics in their respective reports, this study is concerned primarily with three crucial elements in the overall structure of local government. These topics are: (1) the territorial organization of local government; (2) the allocation of functions between the provincial and municipal levels of government; and (3) municipal finance. Although other issues are important for local government, the three areas singled out for analysis establish the basic parameters of any local government system and of the pattern of provincial-municipal relations. Moreover, these three elements were considered the key elements by the Commissions and governments involved.

This study is concerned with policy-making at the provincial level concerning municipal reorganization, not municipal politics or policy per se; the role and behavior of municipalities will be examined, but only to the extent that they are participants in the provincial policy process.

#### Environmental Versus Political Variables

Salisbury's approach to the study of public policy stems from what he considers to be weaknesses in the output

studies (or environmentalist) model, which is oriented towards finding correlations between inputs entering the political system and the outputs of the system (public policy). The findings of the output studies approach have raised serious doubts as to the importance of political system variables in the explanation of public policy, and have generated a debate as to the relative importance of environmental and political variables.<sup>4</sup>

The output studies approach consists of three basic elements: (1) socio-economic variables; (2) the political system; and (3) the outputs (or public policy) of the system. As an example of this approach, Dye's model is reproduced below (Figure 1-1).<sup>5</sup> For the purposes of this study, Dye's works will be considered representative of this approach.

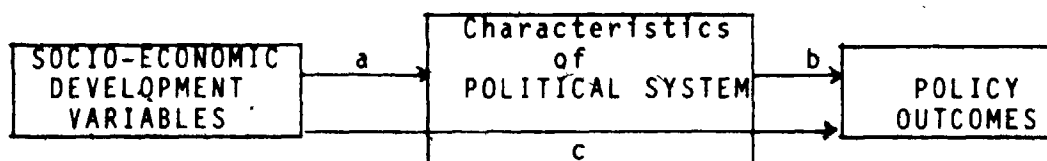
According to him:

Political science never lacked description of what goes on within political systems; what it has lacked is a clear picture of the linkages between environmental conditions, political activity, and public policy.<sup>6</sup>

In order to rectify this situation, Dye proposed to study the correlation between public policy and certain socio-economic and political variables.

Dye is particularly interested in the relative importance of political (linkage b in Figure 1-1) and socio-economic (linkage c in Figure 1-1) factors in the explanation of public policy.

FIGURE 1-1  
OUTPUT STUDIES MODEL



Source: Thomas R. Dye, Politics, Economics, and the Public: Policy Outcomes in the American States (Chicago: Rand McNally, 1966), 4.

Of course, governmental institutions, administrative arrangements, and political process may indeed help to determine the content of public policy. This is a question which we must try to answer in our research. But, we should not insist that political variables influence policy outcomes simply because our traditional training and wisdom in political science has told us that political variables are important.<sup>7</sup>

To determine the relative importance of political and socio-economic factors, Dye undertook a comparative study of spending in the American states. Following existing work,<sup>8</sup> Dye compared the linkage between four economic development variables (urbanization, industrialization, wealth, and education), four political system characteristics (Democratic or Republican control of state government, the degree of interparty competition, the level of voter turnout, and the extent of malapportionment), and over ninety policy output measures in various fields.<sup>9</sup> The result of his study was

7  
to question seriously the usefulness of the selected political variables as explanatory factors for policy outputs.

We are not really justified in concluding from this study that political variables do not have "any" input on public policies in the states. We can only say that partisanship, party competition, and malapportionment do not appear to be as influential as economic development in determining most of the policy outcomes we have mentioned.<sup>10</sup>

Thus, according to Dye, political variables are of secondary importance in the explanation of public policy outputs.

The output studies approach to public policy research is rejected by those like Anderson who stress the normative element in public policy analysis.

A policy is more than a state action or activity. It is a conscious contrivance, reflecting human purposiveness, and it is in some sense a moral act... Seen in this light a policy cannot be satisfactorily explained simply as a product of certain socio-economic conditions, or a given configuration of political pressure... It is also necessary to know what people thought of socio-economic conditions...<sup>11</sup>

Anderson thus rejects any approach that suggests certain variables strictly determine public policy, regardless of whether these variables are political or environmental.

Others, while rejecting Dye's findings, suggest modifications to the model. These suggested improvements



deal mainly with two important factors: the representation of policy and the variables used to express political system characteristics. One of the more prevalent criticisms concerns the utilization of expenditures as indicators of the outputs of a political system; i.e., public policy. "Public expenditures are certainly an important aspect of the outputs of the political system, but they cannot be taken to be a sufficient measure of the policies of the political system."<sup>12</sup> Although not necessarily inherent in the approach utilized by Dye, the use of expenditures to represent public policy output is nevertheless prevalent and is utilized to a large extent by Dye, explaining the criticism levelled at him in this respect. There are many examples of outputs of the system that cannot be measured as expenditures. Aucoin refers to the importance of "positional" policies, which he defines as "those outputs which affect the structuring of influence in the conversion system."<sup>13</sup> Doern argues that regulation and regulatory policy constitute the "other half" of what governments do and should be considered as important as the budgetary aspects of public policy.<sup>14</sup> Moreover, it can be argued that the choice of means (or instruments) utilized by governments are as important for public policy analysis as the ends they are intended to achieve.<sup>15</sup>

One of Salisbury's major criticism of Dye's findings is the use of expenditures as indicators of public policy.

... under an alternative conceptualization of policy outcomes, political-system variables again become of critical importance, though the continuing strength of the relationship between system-resource variation and the 'amount' of policy output is conceded.<sup>16</sup>

Moreover, even where expenditures can be considered an adequate measure of public policy, Salisbury argues that political system variables are important for the explanation of the distributional aspects of that policy. Environmental factors (what he labels system resources) are critical only for the explanation of one element of public policy, that of expenditure levels. However, other characteristics of public policy are considered by Salisbury to be more important than simple expenditure levels. This alternative conceptualization of public policy proposed by Salisbury will be discussed below.

A second criticism of the output studies approach concerns the conceptualization of political variables. Newton and Sharpe, in an overview of British output studies, suggest that these studies have not developed adequate political variables. In general, these studies utilize few and very simplistic political variables. According to them:

... the earliest output studies included very few political variables ... and in consequence found little evidence that they were important or even significant determinants of expenditure patterns.<sup>17</sup>

In a later work appropriately entitled Does Politics Matter? The Determinants of Public Policy, Newton and Sharpe also criticize the idea of a direct association between socio-economic variables and public policy.

... whatever the degree of association between service output and socio-economic variables, we cannot say the former was determined by the latter, unless we can demonstrate that the given output would have occurred if there was no political mechanism at all. If that cannot be demonstrated then, at the very least, all policy outputs can be assumed, in a formal sense, to be a product of the political process.<sup>18</sup>

Thus, regardless of the statistical measure of association between socio-economic conditions and policy outputs, the political process has to be considered an essential element in the study of public policy.

Jacob and Lipsky arrive at more or less the same conclusions in their evaluation of research on American state and municipal public policy. In addition to criticizing the conceptualization of public policy, they suggest that the concept of political system is generally poorly defined.

Further, the operationalization of the political system is generally primitive... Dye himself admits that these measures are incomplete representations of the political system. What we need then are synoptic measures of political systems or their most significant elements. Such measures will

have to include, as a minimum, consideration of the organization of the executive branch, the organization of the legislature, the strength of interest groups, the linkages between state systems and their federal and local counterparts. Perhaps the characteristics of party systems should also be considered although their influence is doubtful on the strength of the evidence accumulated thus far.<sup>18</sup>

Thus, modifications in the operationalization of both public policy and political variables are necessary for a proper test of the relative importance of political and socio-economic variables.

Another important criticism made of output studies is that they tend to neglect the variable of time. According to Newton and Sharpe:

One problem that confronts output studies is their time span. Output research ... has usually been cross-sectional. Yet it is difficult, if not impossible, to conceive of major policy decisions that are not the result of the interplay of factors over much longer time periods than the fiscal year ... output studies should examine changes over time.<sup>19</sup>

Heisler and Peters also criticize the apparent lack of attention paid to time as a factor in the explanation of public policy.<sup>20</sup> Peters comments that: "one of the major methodological problems limiting the generalizability of findings in the political science literature is the failure to include time in the analysis directly",<sup>21</sup> and suggests that the relative importance of political factors

changes over time, depending on the level of development of the policy sector in question.

Although most of the critics of the output studies approach argue that political variables are more important than Dye suggests, others conclude the opposite. For example, Lewis-Beck argues that the most appropriate statistical method to use is path coefficients. With this technique, he concludes that socio-economic variables are even more important than Dye had reported.

An examination of the effects coefficients, derived from this path analysis, is offered as the preferred method for assessing and comparing the effects of these variables. When the effects coefficients for a common model of welfare policy are estimated in a data-based example, socio-economic variables are found to be considerably more important than political variables. This conclusion differs substantially from interpretations founded on an application of the other statistical techniques reviewed here.<sup>22</sup>

However, Lewis-Beck does not address the issues raised by the critics of Dye's findings and continues to use the same measures of public policy that were rejected by these critics.

While far from finished, the debate over the relative importance of political and socio-economic variables in the explanation of public policy indicates that political variables are more important than most of the output studies indicate. The inadequate operationalization of both the concepts of public policy and political system, along with

the exclusion of time as a variable, have distorted the actual relation between public policy and political variables. Dye himself admits that other political system characteristics and policy variables may well demonstrate a stronger relationship between public policy and political system characteristics.<sup>23</sup>

### Salisbury and the Study of Public Policy

Salisbury's position is that political variables are of crucial importance for the explanation of public policy.<sup>24</sup> Adapting Lowi's<sup>25</sup> formulation, Salisbury proposes a model which contains four types of policies:

Distributive policies are those perceived to confer direct benefits upon one or more groups...

Redistributive policies likewise confer benefits, but are also perceived to take benefits away from other groups...

Regulatory policies impose constraints on subsequent behavior and thus indirectly deny or confirm potentially beneficial options in the future...

Self-regulatory policies also impose constraints upon a group, but are perceived only to increase, not decrease the beneficial options to the group.<sup>26</sup>

This formulation is an improvement over earlier conceptualizations of public policy based largely on expenditure levels.

The categories, however, may not be mutually exclusive.<sup>27</sup> Peters et al, in a study on the integration of Salisbury's typology of public policy with Lijphart's classification of democratic political systems, suggest that there may be only three distinctive patterns of politics and policy, with regulatory and redistributive policies being closely associated.<sup>28</sup> This latter point is important given that the 'Program for Equal Opportunity' in New Brunswick has generally been described as redistributive policy.<sup>29</sup>

Salisbury's policy typology becomes easier to grasp with the introduction of a fundamental distinction between allocative and structural policies. Although absent in Salisbury's initial formulation, Salisbury and Heinz later introduced it to emphasize the difference between two sets of policy outputs.

By allocative policies we mean decisions which confer direct benefits, material or symbolic, upon individuals and groups. Structural policies we take to mean policies which establish authority structures or rules to guide future allocations. The latter policies are more abstractly formulated and more ambiguous in their effects than the former. Allocative policies may vary along a distributive-redistributive axis; structural policies may vary as between regulatory and self-regulatory outcomes.<sup>30</sup>

Thus, the first step in the categorization of policy outputs is the determination of whether or not those outputs 'confer direct benefits' or 'establish authority structures'.

If the policy output 'confers direct benefits', then it can be categorized as either 'distributive' or 'redistributive'. The main distinction between these two policy types is the perception of who 'pays' for the benefits. Although distributive policies confer benefits to individuals or groups, they are not perceived as taking benefits away from other individuals or groups. "Redistributive policies likewise confer benefits, but also are perceived to take benefits away from other groups."<sup>31</sup> Another way of phrasing the distinction would be to argue that redistributive policies identify both 'winners' and 'losers' in terms of benefits whereas distributive policies do not. A negative income tax (redistributive) not only benefits the poorer elements of society, it is also perceived as taking benefits away from the middle and upper income groups to do so. On the other hand, a stimulation grant to a particular corporation (distributive) is not necessarily perceived as taking benefits away from any other group. The key factor in the categorization of distributive and redistributive policies is the perception of whether or not a particular policy imposes costs on some other group.



If, instead of conferring benefits, policy outputs establish rules to guide future allocations, the policy is said to be structural and can be categorized as being either regulatory or self-regulatory, depending on the locus of 'power' in relation to that policy. Regulatory policies are those in which the government undertakes the structural modifications directly. In its purest form, self-regulatory policy occurs when professional groups are delegated authority to act as the licensing authority for their own profession. Self-regulatory policy is also often seen in relation to various economic groups. For example, policies can vest discretionary authority in farm associations to establish quotas and acreage allotments.<sup>32</sup>

This formal delegation of authority is not the only indication of self-regulatory policy. Salisbury and Heinz include a de facto delegation of authority as self-regulatory policy although the de jure authority remains with the legislature.

The deference paid legislative committees is a well-known example. Delegation to administrative agencies is another. The 'agree bill' phenomenon described by Steiner and Gove, wherein the principal demand groups work out their differences in advance, illustrate a type of self-regulative structural decision.<sup>33</sup>

Another example offered by Salisbury and Heinz concerns the drafting of the 1961 Criminal Code in Illinois. In that

case, the Bar Association was given the task of preparing the new Code with the instruction that controversies were to be settled before it was presented to the legislature. The result was that the legislature barely discussed the new Code; it merely ratified it. The structural decision to delegate and ratify is considered by Salisbury and Heinz to be a de facto delegation of authority and as such constitutes self-regulatory policy.<sup>34</sup>

According to Salisbury, the key factors that influence the type of policy outputs that emerge are: (1) the structure of the decisional system, and (2) the pattern of demands made upon that system. In general terms, the decisional system refers to the "rules of the game" and the "structures of authority". The second factor, demand patterns, refers to:

... the patterns of groups and individuals - interested groups, parties, and other political entrepreneurs - articulating demands and pressing them upon the decisional system.<sup>35</sup>

Both demand patterns and decisional system are considered by Salisbury to be either fragmented or integrated, with the corresponding relationship to policy shown in Figure 1-2. Policy is hypothesized to vary according to various combinations of decisional systems and demand patterns. The overall 'model' proposed by Salisbury is illustrated in Figure 1-3.

FIGURE 1-2

## SALISBURY'S POLICY TYPOLOGY

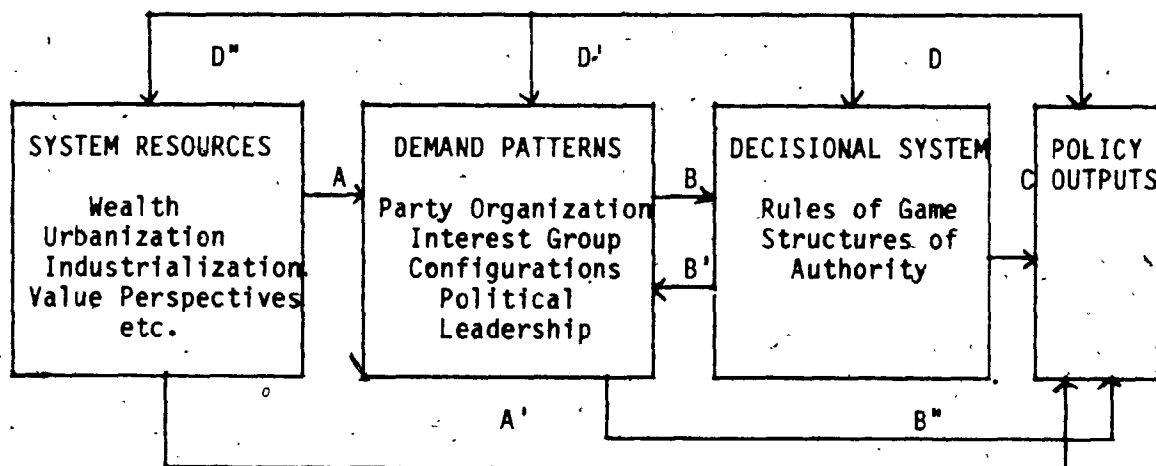
## DEMAND PATTERN

	INTEGRATED	FRAGMENTED
INTEGRATED DECISIONAL SYSTEM	REDISTRIBUTIVE	REGULATORY
FRAGMENTED	SELF-REGULATORY	DISTRIBUTIVE

The major difference from the approach utilized by Dye is that the political system is divided into demand patterns and decisional system. Moreover, whereas Dye's research suggested that linkage A<sup>1</sup> (system resources to policy outputs) in Figure 1-3 is primary for explaining variations in policy outputs, Salisbury argues that the interactions of demand patterns and the decisional system (linkages B and B') are key to explaining those variations, though not necessarily the amount of policy outputs.

The concept of 'decisional system' needs elaboration. Given the importance of this concept for Salisbury's model, it is imperative that the characteristics singled out for analysis reflect the major elements in the policy process. If not, then Salisbury's model is open to the same criticism he directed at the output studies approach, that of inappropriate political variables. Aucoin offers a useful analysis of the pertinent political variables.

FIGURE 1-3  
CONCEPTUALIZATION OF LINKAGES BETWEEN VARIABLES



Source: Robert H. Salisbury, "The Analysis of Public Policy: A Search for Theories and Role" in Austin Ranney (ed), Political Science and Public Policy (Chicago: Markham, 1968), p. 165.

The difficulty, and the shortcoming of many studies, is that the institutional characteristics which account for the major constitutional or political differences between political systems, and thus the characteristics normally singled out for analysis, may not be the arrangements or processes most significant to public policy. It is not surprising that those studies which do emphasize institutions have found that it is the executive-bureaucratic arrangements which appear to be most critical.<sup>36</sup>

In the context of the Canadian political system,

Doern has argued that:

The Prime Minister, the Cabinet, and the central agencies constitute the heart of the executive-bureaucratic arena of the Canadian political system and hence of the day-to-day policy processes of government.<sup>37</sup>

Provincial political systems have the basic characteristics of the national political system described by Doern. Chandler and Chandler suggest that Canadian provincial governments have inherited the British tradition "which places the cabinet in the centre of the policy process by granting it the responsibility for the formulation, coordination, and implementation of policy."<sup>38</sup> Moreover, they argue that "executive dominance of the policy process is, if anything, more prevalent at the provincial level"<sup>39</sup> and that the key interactions of the policy process center on executive-bureaucratic relationships.

Accordingly, the characteristics of the decisional systems used in this study are related to these executive-bureaucratic arrangements, and are as follows:

- 1) the role of the Premier;
- 2) the existence and role of Cabinet committees;
- 3) the existence and role of central agencies;
- 4) the role played by Departments, in particular the Department of Municipal Affairs; and
- 5) the relationship between ministers and senior non-elected officials.

These characteristics will be examined in order to establish whether they are integrated or fragmented. Generally, indicators of the degree of integration are the extent to which the decisional system is cohesive, unified and hierarchical.<sup>40</sup> In this context, central agencies play an important role in the coordination or integration of governmental activities. They serve, as Bernard suggests, as an "antidote de la fragmentation".<sup>41</sup>

In a later formulation, Salisbury and Heinz suggest that any decisional system must achieve some degree of integration in order to make a decision.

The minimum required is provided by the formal decisional rules: fifty percent plus one, two-thirds, a constitutional majority, or what not... The question then is not the amount of integration achieved but rather how difficult or costly it is to achieve the requisite coalition.<sup>42</sup>

Moreover, the cost of reaching a decision changes depending on the type of policy under consideration. It also obviously depends on the pattern of demands in relation to the policy

under consideration. The cost of reaching a decision is thus derived from the two other variables of decision system and policy type, and for the purposes of this study, the primary variable of decision system will be retained.<sup>43</sup>

The other variable to be analyzed, demand pattern, refers to the various groups and individuals pressing demands upon the decisional system. According to the model, demand patterns can either be fragmented or integrated.

The ultimate in an integrated demand pattern might be reached in a secure authoritarian regime where one class or group, homogeneous in its own values, is the only effective actor in the play. The ultimate fragmentation would be an extremely heterogeneous, disaggregated array of interests, each pressing for its claim for an authoritative decision on the same issue independently of all the others.<sup>44</sup>

Because these extreme positions are rarely attained, clearer explanations of the concepts of integrated and fragmented demand patterns are needed.

Salisbury contends that "integration is measured by the range, diversity, and compatibility of substantive demands made as well as by the unity or disunity of activity among groups making them".<sup>45</sup> The importance of the 'unity of demands' is later stressed by Salisbury and Heinz, who argue that:

Demand integration refers to the unity of the groups demanding a policy decision. It does not refer to mere parallelism of interests, as when many districts desire defense contracts, but requires more explicit and usually organized unity of action pressing for the decision.<sup>46</sup>

However, this 'unity of demands' does not have to extend to the entire population. The existence of one class or group pressing demands upon the decisional system is an example of an extremely integrated demand pattern. Other situations, such as the existence of class struggle, are recognized by Salisbury as constituting an integrated demand pattern.<sup>47</sup> The important consideration to bear in mind in the application of Salisbury's model is that 'integrated demand pattern' does not necessarily imply 'unique demand pattern'. A more accurate conceptualization of the model would be to view the possible configurations of demand patterns as being on an integration/fragmentation axis.

Salisbury suggests that if we were to observe the number and variety of groups making demands concerning each set of policies in any particular political entity,

... we should be able to say that there were many diverse groups expressing demands on each, or one or a few groups on each, or one or a few groups on all.<sup>48</sup>

Figure 1-4 illustrates the possible combinations of the number of groups and number of issues.

One crucial aspect of the matrix is that it shows that demand pattern is a function of both the number of groups and the number of issues. Salisbury adds another element to the model by referring to demand patterns as being either of 'limited' or 'broad' scope, depending on whether they are associated with few or many issues respectively.



FIGURE 1-4

## HYPOTHETICAL MATRIX - RANGE OF DEMAND PATTERNS

Number of Issues	Number of Groups					
	1	2	3	4	5	6
1	XXXX	XXX	X	X	XX	XXXX
2	X	XX		X	XX	XX
3	X	X	X	XX		X
4	X	XX	X		X	XX
5	XXX	XXX		X	XX	XXX
6	XXXXX	XX	X	X	XX	XXX

Source: Robert H. Salisbury, "The Analysis of Public Policy: A Search for Theories and Roles", in Austin Ranney (ed.), Political Science and Public Policy (Chicago: Markham, 1968), 173.

N.B.: In Figure 1-4, each "X" represents a separate hypothetical case. Its position in the matrix indicates the number of groups and issues found or identified.

The upper left case would bespeak an integrated demand pattern of limited scope which we would expect, *ceteris paribus*, to be associated with self-regulative policy concerns. The lower left case, on the other hand, suggests integrated demand on a broad range of issues leading towards redistributive policy.<sup>49</sup>

The cases on the right indicate instances of fragmented demand patterns. The refinement of the model suggests four types of demand patterns: (1) integrated-limited scope; (2) integrated-broad scope; (3) fragmented-limited scope; and (4) fragmented-broad scope. Thus, although both redistributive and self-regulatory policies are associated with integrated demand patterns, those demand patterns are different in scope.

Although Salisbury does not pursue any further the analysis of broad versus limited scope of demand patterns, he implicitly associates each of the four types of demand patterns with a different policy type, illustrated by Figure 1-5 below.

FIGURE 1-5

## MODIFIED DEMAND PATTERN AND POLICY TYPE

<u>DEMAND PATTERN</u>	<u>POLICY TYPE</u>
Integrated-Limited Scope	Self-Regulatory
Integrated-Broad Scope	Redistributive
Fragmented-Limited Scope	Distributive
Fragmented-Broad Scope	Regulatory

If the four types of policy outputs can be associated with four different demand patterns without the need to consider decisional systems, then the role of the latter in Salisbury's model has to be reconsidered. Either the decisional system has to be eliminated from the model or its role in the determination of policy outputs has to be reformulated. One possible reformulation would be to argue that demand patterns and perceived policy output are in part determinants of the decisional system; that is, the decisional system may be modified according to the type of demands made upon it and the perceived policy outputs. This will be analyzed at greater length in the concluding chapter.

The preceding discussion of Salisbury's model illustrates the fact that the concepts used cannot be readily

operationalized compared to those used by Dye and other proponents of the output studies approach to public policy analysis. However, this difficulty should not necessarily lead to the rejection of Salisbury's approach. Geise, commenting on theory construction and political inquiry, criticizes the behavior of many empiricists for their attempt to discredit theories that do not pass the test of operationalization, describing their activity as epistemic legislation.

One instance of such legislative behavior can be seen in the use of the ever-prominent criterion of operationalization... Hence, one finds the demand that (all, or less dogmatically most) scientifically meaningful concepts (and therefore those that are acceptable elements of a scientific proposition/theory) either must meet this standard or be corrigible so as to ensure the possibility of so linking concepts to empirical phenomena.<sup>50</sup>

Thus, although ease of measurement or operationalization may be one criterion by which to judge theories or models, it is not the only one.

Salisbury's model should therefore not be rejected solely on the grounds of problems in operationalization, but only if the concepts advanced are shown to have little use for the study of public policy. Lowi's typology, from which the Salisbury model is adapted, has been found useful by students of public policy.<sup>51</sup> Moreover, Peters, et al, have argued that:

The initial effort at the comparative analysis of the Salisbury typology of public policies has shown the general applicability and usefulness of that typology in cross-national research. The categories of policy discussed in that typology appear to have empirical referents which vary significantly across nations. These indicators vary in the manner which would be predicted by the theoretical arguments advanced by Salisbury and Salisbury and Heinz.<sup>52</sup>

In terms of the debate as to whether environmental or political variables best explain variations in policy outputs, the Salisbury approach falls clearly on the side of political variables. Salisbury argues that the key variables are political (demand patterns and the structure of the decisional system) although he does not rule out the influence of environmental factors, which can be said to influence policy in two ways. First, the amount of money spent is obviously influenced by the resources available to the political system. As noted earlier, however, the level of expenditures is not considered to be the most important factor in the definition of public policy. Salisbury argues that:

While system resources may account for the amount of money being spent, the active political system continues to be decisive in determining the kind of policy, including the groups that benefit or suffer, the extent of conflict, the ability to innovate or adapt ...<sup>53</sup>

The second manner in which environmental factors can be said to influence public policy is through their effects on political variables, and in particular demand patterns. However, these demand patterns need not 'reflect' such environmental factors and therefore cannot be construed as 'intervening' variables. The focus of this study is on demand patterns and decisional structures in an effort to determine whether they provide an adequate explanation of the variation in policy outputs in the cases examined.

#### Applying the Model

What does the discussion above imply for the analysis of the policy impacts of the Byrne and Graham Commissions? First, it suggests that the policy impacts of the Byrne and Graham Commission should be categorized as to their type; that is, redistributive, distributive, regulatory or self-regulatory. Secondly, particular attention should be paid to the configuration of demands regarding those proposed policies as well as to the structure of the decisional system.

At first glance, it might appear that the categorization of policy outputs would be easy. However, such is not the case. Although the 'Program for Equal Opportunity' was without a doubt highly redistributive in that it involved a substantial transfer of public resources from the better-off

regions to the poorer ones, it nevertheless also included structural elements in the redesign of the municipal system in New Brunswick. It was, however, mainly argued and seen as a redistributive policy. In Chapter 5, it will be shown that the redistributive element was well understood and that the linguistic aspect of that redistribution was obvious (as was evidenced in the widely used phrase "robbing Peter to pay Pierre"). Given the redistributive nature of that policy, to find a compatible context one would expect to find in New Brunswick an integrated demand pattern of broad scope in relation to policy resulting from the Byrne Commission, as well as a relatively integrated decisional system.

In the case of Nova Scotia, the lack of a major response by the provincial government also raises questions concerning classification. There was one important structural response: the creation of the Joint Task Force of the Union of Nova Scotia Municipalities and the Department of Municipal Affairs which eventually led to modifications in the system of provincial-municipal finance. It will be argued that this policy can be characterized as self-regulatory to the extent that substantial de facto authority was delegated to the municipal sector represented by the Union of Nova Scotia Municipalities. Following the Salisbury model, it can be hypothesized that Nova Scotia exhibited an

integrated demand pattern of limited scope in relation to policy resulting from the Graham Commission, as well as a relatively fragmented decisional system.

The cases discussed in this study bring to light an important aspect of local government reform. In this context, the issue of how self-regulatory policy emerges is important. Salisbury argues that the presence of only a limited number of groups involved in an issue, combined with a fragmented decisional structure, results in self-regulatory policy.

For example, when a professional or quasi-professional group presents a policy claim to a legislature, the total relevant demand is typically highly integrated in the sense that members of the group are cohesive and no one else pays any attention to the issue. The result is likely to be a licensing law that delegates the control over entry into the profession to the members of the profession. This is an example of self-regulation.<sup>52</sup>

In the case of local government, this suggests that an issue which aroused interest mainly in the local government sector would result in self-regulatory policies.

How then does a proposal for municipal reform garner enough support to enable it to be adopted and implemented? Essentially, it will be argued that major municipal reform is unlikely to be achieved unless it can be seen to be associated with other issues of social or economic importance that transcend the municipal sector and which receive support

from various groups and individuals; that is, it must be associated with a demand pattern of broad scope. In so doing, issues are no longer the object of demands from only one specific sector. This has important consequences for municipal reform because it suggests that only by outside pressure will the municipal sector be reformed. To put it bluntly, major municipal reform for the sake of municipal reform will not succeed, unless of course the municipal sector itself is favorable to the proposed reforms.

### Conclusion

The major purpose of this research is to compare the policy impacts of two Royal Commission Reports on local government reform, the Byrne Commission in New Brunswick and the Graham Commission in Nova Scotia. The analysis of those cases is based on the approach developed by Robert Salisbury which focuses on the interrelationships between policy, decisional structure and demand patterns. This study will attempt to demonstrate that demand patterns and decisional structure can explain the differing policy outcomes in the two provinces.



## FOOTNOTES

1. See Ralph Krueger, "The Provincial-Municipal Government Revolution in N.B.", Canadian Public Administration, XII (May 1970), 51-99.
2. The number of municipal units in Nova Scotia has actually increased to sixty-six with the incorporation of the Town of Bedford in 1980.
3. See Robert Salisbury, "The Analysis of Public Policy: A Search for Theories and Roles" in Austin Ranney (ed.), Political Science and Public Policy (Chicago: Markham, 1968) 151-178. See also Robert Salisbury and John Heinz, "A Theory of Policy Analysis and Some Preliminary Applications", in Ira Sharkansky (ed.), Policy Analysis in Political Science (Chicago: Markham, 1970) 39-60.
4. See M.S. Lewis-Beck, "Relative Importance of Socio-economic and Political Variables for Public Policy", American Political Science Review, 71, No. 2 (1977), 559-566. For an overview of the output studies approach, see W.I. Jenkins, Policy Analysis: A Political and Organisational Prospective (London: Martin Robertson, 1978) and Jean Crête, "Les déterminants des politiques" in Réjean Landry (ed.), Introduction à l'analyse des politiques (Québec: Les Presses de l'Université Laval, 1980) 277-318.
5. Thomas R. Dye, Policy Analysis (Tuscaloosa, Alabama: Univ. of Alabama Press, 1975), 1. See also Dye, Politics, Economics, and the Public Interest (Chicago: Rand McNally, 1966) and Dye, Understanding Public Policy (2nd ed.) (Englewood Cliffs, N.J.: Prentice-Hall, 1975).
6. Dye, Understanding Public Policy, 277.
7. Dye, Policy Analysis, 31.
8. Richard E. Dawson and James E. Robinson "Inter-party Competition, Economic Variables and Welfare Policies in the American States" Journal of Politics, 25 (May 1963), 265-289.
9. See Dye, Politics, Economics and the Public Interest.
10. Ibid., 296.

11. Charles W. Anderson, "The Logic of Public Problems", in Douglas E. Ashford (ed.), Comparing Public Policies (Beverly Hills: Sage, 1978), 19-41.
12. B. Guy Peters, John Doughie and M. Kathleen McCulloch, "Types of Political Systems and Types of Public Policy, A Comparative Examination", Comparative Politics, 9, No. 3 (April, 1977), 327-355.
13. Peter Aucoin, "Theory and Research in The Study of Policy-Making", in G. Bruce Doern and Peter Aucoin (eds.), The Structures of Policy-Making in Canada (Toronto: MacMillan, 1971), 25.
14. See G. Bruce Doern, "The Concept of Regulation and Regulatory Reform", in G. Bruce Doern and V. Seymour Wilson (eds.) Issues in Canadian Public Policy (Toronto: MacMillan, 1974), 8-35.
15. See G. Bruce Doern, Political Policy-Making: A Commentary on the Economic Council's Eighth Annual Review and the Ritchie Report (Montreal: Private Planning Association of Canada); also Richard Simeon, "Studying Public Policy", Canadian Journal of Political Science, IX, No. 4 (December 1976), 548-580.
16. Salisbury, "The Analysis of Public Policy", 164.
17. K. Newton and J.L. Sharpe, "Local Outputs Research: Some Reflections and Proposals", Policy and Politics, 5 (1977), 69.
18. H. Jacob and M. Lipsky, "Outputs, Structures and Power" Journal of Politics, 30 (1968), 515.
19. Newton and Sharpe, "Local Outputs Research", 62.
20. Martin O. Heisler and B. Guy Peters, "Comparing Social Policy Across Levels of Government, Countries and Time: Belgium and Sweden since 1870", in Douglas Ashford (ed.), Comparing Public Policies (Beverly Hills: Sage, 1978), 149-175.
21. B. Guy Peters, "Public Policy, Socioeconomic Conditions, and The Political System: A Note on Their Developmental Relationship", Polity, 5 (1972), 277.
22. Lewis-Beck, "Relative Importance of Socioeconomic and Political Variables", 566.
23. Dye, Policy Analysis, 33-34.

24. This section will draw extensively from Salisbury, "The Analysis of Public Policy".
25. See Theodore Lowi, "American Business, Public Policy, Case-Studies and Political Theory, World Politics, 6 (1964), 677-715. See also Lowi, "4 Systems of Policy, Politics and Choice", Public Administration Review, 32, No. 4 (1972), 298-310.
26. Salisbury, "The Analysis of Public Policy", 158.
27. Lewis A. Froman, Jr. "The Categorization of Policy Contents", in Austin Ranney (ed.), Political Science and Public Policy (Chicago: Markham, 1968), 23-40.
28. Peters, Doughie and McCulloch, "Types of Political System".
29. See Norman F. Ruff "Administrative Reform and Development: A Study of Administrative Adaptation to Provincial Developmental Goals and the Re-Organization of Provincial Government and Local Government in N.B. 1963-1967", unpub. Ph.D. thesis, McGill, 1968. See also Georges Cyr, "Le programme 'chance égale pour tous' et la réforme du système de gouvernement municipal au Nouveau-Brunswick", unpub. M.A. thesis, Ottawa, 1977.
30. Salisbury and Heinz, "A Theory of Policy Analysis", 43.
31. Salisbury, "The Analysis of Public Policy", 158. Siméon, "Studying Public Policy", argues that "in many ways it is the 'perceptions' of benefits and costs which are important" (p. 565).
32. Salisbury and Heinz, "A Theory of Policy Analysis", 55.
33. Ibid., 44.
34. Ibid., 44-45.
35. Salisbury, "The Analysis of Public Policy", 165.
36. Peter Aucoin, "Public-Policy Theory and Analysis", in G. Bruce Doern and Peter Aucoin (eds.), Public Policy in Canada (Toronto: Gage, 1979), 18.
37. G. Bruce Doern, "The Cabinet and Central Agencies", in G. Bruce Doern and Peter Aucoin (eds.), Public Policy in Canada (Toronto: Gage, 1979), 27. See also G. Bruce Doern, "Recent Changes in the Philosophy of Policy-Making in Canada", Canadian Journal of Political Science, IV, No. 2, (June 1972), 243-264.

38. Marsha A. Chandler and William M. Chandler, Public Policy and Provincial Politics (Toronto/Montreal: McGraw-Hill Ryerson, 1979), 98.
39. Ibid., 114.
40. Salisbury and Heinz, "A Theory of Policy Analysis", 47.
41. André Bernard, La politique au Canada et au Québec (Montréal: Les Presses de l'Université du Québec, 1977), 326-331.
42. Salisbury and Heinz, "A Theory of Policy Analysis", 42.
43. The reformulation by Salisbury and Heinz appears to be limited to the more formal decision - making arenas such as legislatures, committees and courts where there are clearly established decision rules in terms of the number of persons required to form a winning coalition. Adrian and Press' work, considered by Salisbury and Heinz to be compatible with this reformulation, clearly addresses itself to the formation of "winning coalition" in formal decision making arenas. See Charles Adrian and Charles Press, "Decision Costs in Coalition Formation", American Political Science Review, 60 (June 1968), 556-564.
44. Salisbury, "The Analysis of Public Policy", 165.
45. Ibid., 166.
46. Salisbury and Heinz, "A Theory of Policy Analysis", 48.
47. Salisbury, "The Analysis of Public Policy", 167. What Salisbury actually says is the following:

Before we encounter further complexity, however, let us consider the probable content of policy demands made under varying conditions of demand pattern. That is, are the demands stemming from integrated groups different in kind from those in a fragmented situation? Consider a homogeneous class in an authoritarian system. Pretty clearly its demands are largely redistributive in the sense that the class seeks to take from one group and give to another. Similarly, the rhetoric of class-struggle ideologies, on both sides, has stressed the redistributive effects of their policy demands once the desired coordination of effort and self-consciousness of interest, i.e. integration of demand, is achieved.

Conversely , fragmented demand patterns are commonly thought of in association with distributive policies.

Although this conception of 'integrated' may not be compatible with the common-sense notion of that word it is clear that Salisbury considers class struggle as an example of integrated demand pattern. Moreover, it is also obvious from the last sentence of the first paragraph that "coordination of effort and self-consciousness of interest" is another way to phrase the integration of demand. Salisbury had earlier (p. 166) stated that "integration is measured by the range, diversity, and compatibility of substantive demands as well as by the unity or disunity of activity among groups making them."

48. Ibid., 172.

49. Ibid..

50. Jack P. Geise, Jr., "Theory Construction and Political Inquiry", Canadian Journal of Political Science, IX, No. 4 (December 1976), 629.

51. Randall B. Ripley and Grace A. Franklin, Bureaucracy and Policy Implementation (Georgetown, Ont.: Dorsey, 1982).

52. Peters, Doughie, and McCulloch, "Types of Political System", 350.

53. Salisbury, "The Analysis of Public Policy", 165.

54. Ibid., 167.

## Chapter 2

### BACKGROUND

Before beginning the discussion of the Royal Commissions' Reports, it is necessary to briefly review the background to both the Byrne and Graham Commissions. In this context, background consists of a brief history of both provinces, including the evolution of local government, as well as basic data on their local government systems. As the historical aspect is not a key concern in this study, no attempt will be made to provide any new historical interpretations; instead, existing works will be relied upon.<sup>1</sup> The purpose of this chapter is to acquaint the reader with information pertinent to the cases under study.

#### Early History

The provinces of Nova Scotia and New Brunswick are both part of what was originally referred to as Acadie (Acadia), a French colony on the north Atlantic coast of present-day Canada. Other than the Norsemen, the first European to reach this part of North America was probably John Cabot, who is thought to have visited Cape Breton Island in 1497. Although some attempts were made during the next century, it was not until 1604/1605 that the first permanent settlement by Europeans was established at Port Royal by Samuel de Champlain.

During the early history of the French settlements in Acadie, what is now New Brunswick was largely ignored, with the Annapolis Valley region of Nova Scotia receiving the largest number of settlers. Control of Acadia passed from French to English and vice versa several times as part of the continual rivalry and hostility between England and France. All of Nova Scotia (or Acadia) passed into the possession of Great Britain by the Treaty of Utrecht in 1713, although its population was still largely Acadian (francophone). However, all of 'Nova Scotia' did not include Cape Breton or Prince Edward Island, nor did it include, according to the French, what is now New Brunswick. Thus, the struggle for control of Acadia was far from over. Not until the Peace of Paris in 1763 did all of Canada pass into British possession.

During the struggle for control of Acadia, the British government had been concerned about the loyalties of the large Acadian population, which was being pressured by France to migrate to territory claimed by the latter. Following their refusal to swear allegiance to the British Crown, the Acadians were deported (beginning in 1755), many being sent to New England or reaching Louisiana. Although eventually allowed to return, most settled on the northern shore of New Brunswick, their fertile farmlands in the Annapolis Valley having been given to settlers from New England. Shortly before the deportation (1749), the British government had

decided to take effective possession of Acadia by the establishment of Halifax; an influx of some 2,500 British settlers ensued. This, followed by the massive influx of some 35,000 Loyalist refugees after the American Revolutionary Wars, dramatically altered the linguistic composition of Acadia. From a predominantly francophone region at the beginning of the 18th century, by the end of that century it had become largely anglophone. Moreover, the francophone population that remained was concentrated largely in northern New Brunswick; there were also scattered pockets in both Prince Edward Island and Nova Scotia.

The arrival of the Loyalists in Nova Scotia after the American Revolution had a significant impact not only on the demography of the region, but also on its political structures. As a result of their arrival, New Brunswick as well as Cape Breton Island were separated from Nova Scotia. Although Cape Breton rejoined Nova Scotia in 1820, New Brunswick continued its existence as a separate colony, and later a separate province. Responsible government came to Nova Scotia and New Brunswick in 1848. Both colonies became part of the four original provinces of the Dominion of Canada, although Nova Scotia was also the first to have a secessionist movement because of general opposition to Confederation on the part of its population.



### Demographic Data

Both Nova Scotia and New Brunswick are small provinces in terms of population and landmass. New Brunswick has the larger landmass (approximately 80,000 km<sup>2</sup> to Nova Scotia's 60,000 km<sup>2</sup>, freshwater areas included), although Nova Scotia has the greater population (see table 2-1).

TABLE 2-1  
POPULATION OF NOVA SCOTIA AND NEW BRUNSWICK,  
1921-31-41-51-61-71

Year	Nova Scotia	New Brunswick
1921	524,000	388,000
1931	513,000	408,000
1941	578,000	457,000
1951	643,000	516,000
1961	737,000	598,000
1971	789,000	634,000

Source: Statistics Canada, Annuaire du Canada, (Ottawa: Supply and Services, 1981), 145.

The urban/rural distribution of both provinces' population is relatively similar, being substantially different from the Canadian average.

TABLE 2-2

RURAL-FARM, RURAL NON-FARM AND URBAN POPULATION  
OF NOVA SCOTIA, NEW BRUNSWICK AND CANADA, 1966  
AND 1971 (In percentages)

	Nova Scotia		New Brunswick		Canada	
	1966	1971	1966	1971	1966	1971
Rural Farm	6.0	3.3	8.4	4.0	9.6	6.6
Rural Non-Farm	36.0	40.0	41.0	39.1	16.9	17.3
Urban	58.0	56.7	50.6	56.9	73.5	76.1

Source: Atlantic Provinces Economic Council, Atlantic Canada Today (1969), 47 and Atlantic Canada Today (1977), 56.

One interesting aspect of the above table is the large proportion of rural non-farm population in both provinces compared to the national average. This indicates a largely scattered population, or at least a substantial degree of residential development outside the towns and cities, both of which can be expensive in terms of the costs of municipal services.

Although originally concentrated in what is now Nova Scotia, the francophone population of the Maritimes is now concentrated largely in the northern and northeastern regions of New Brunswick (See Table 2-3).

TABLE 2-3  
FRANCOPHONE<sup>a</sup> POPULATION OF NEW BRUNSWICK

<u>County</u>	<u>% Fr. (1961)</u>	<u>% Fr. (1971)</u>
Albert	1	2
Carleton	1	2
Charlotte	3	4
Gloucester	85	83
Kent	82	81
Kings	1	3
Madawaska	94	95
Northumberland	27	26
Queens	5	9
Restigouche	61	60
St. John	7	8
Sunbury	11	5
Victoria	38	39
Westmorland	41	40
York	3	5
Total Province	35	34

Source: Statistics Canada, Catalogue No. 92-523 (1961)  
(Advance Report No. AP-9) and Catalogue No. 92-725,  
Vol: 1 - Part 3 (April 1973).

<sup>a</sup> For the purposes of this table, francophone denotes a person whose mother tongue is French.

Nova Scotia's francophone population is much smaller, comprising approximately 5% of that province's population (See Table 2-4).

TABLE 2-4  
FRANCOPHONE<sup>a</sup> POPULATION OF NOVA SCOTIA

<u>County</u>	<u>% Fr. (1961)</u>	<u>% Fr. (1971)</u>
Annapolis	2	1
Antigonish	10	8
Cape Breton	2	2
Colchester	0 <sup>b</sup>	1
Cumberland	2	2
Digby	38	38
Guysborough	5	3
Halifax	3	3
Hants	0 <sup>b</sup>	1
Inverness	23	19
Kings	2	1
Lunenburg	0 <sup>b</sup>	1
Pictou	1	2
Queens	1	1
Richmond	48	40
Shelburne	1	1
Victoria	1	0 <sup>b</sup>
Yarmouth	33	32
Total Province	5	5

Source: Statistics Canada, Catalogue No. 92-523 (1961) (Advance Report No. AP-9) and Catalogue No. 92-725, Vol: 1 - Part 3 (April 1973).

<sup>a</sup> For the purposes of this table, francophone denotes a person whose mother tongue is French.

<sup>b</sup> The number of francophones is less than .5%, therefore it is shown as 0%.

The net result of this situation is that New Brunswick's francophone population can be considered a significant political force whereas Nova Scotia's francophone population cannot.<sup>2</sup> Only three of Nova Scotia's sixty-five municipalities were predominantly of French origin in 1971 and only two of those were predominantly of French mother tongue. Moreover, the total population of these three (Argyle, Clare and Richmond) was only 30,000 and accounted for only 2 seats (out of 46) in the House of Assembly, in addition to forming a part of the dual-member riding of Yarmouth.

Both provinces are economically disadvantaged (Table 2-5 shows the disparity in terms of average family income) in relation to the country as a whole. Moreover, there were also important variations within each province. (Tables 2-6 and 2-7 show the average family income by county as a percentage of the provincial average.) Although both provinces show a similar range of variations among counties, the regional disparities within New Brunswick are of greater political importance because of the linguistic distribution of the population. In general, the poorer counties were the predominantly francophone ones. Table 2-8 ranks New Brunswick counties in terms of average family income in 1961 and shows the percentage of francophones by county. The importance of these regional disparities for the Byrne Commission will be dealt with in the following chapter.

TABLE 2-5  
AVERAGE FAMILY INCOME

	1961	% of Canadian 1961	1971	% of Canadian 1971
Canada	5449	100%	9600	100%
Nova Scotia	4260	78%	7859	82%
New Brunswick	4155	76%	7479	78%

Source: Statistics Canada, Catalogue No. 98-515 (Bulletin No. SX-1) and Catalogue No. 93-924, Vol: II - Part 2 (Bulletin 2.2-12).

TABLE 2-6  
AVERAGE FAMILY INCOME, BY COUNTY  
(NEW BRUNSWICK)

<u>County</u>	<u>% of prov. (1961)</u>	<u>% of prov. (1971)</u>
Albert	111	118
Carleton	78	81
Charlotte	100	81
Gloucester	79	87
Kent	65	74
Kings	105	105
Madawaska	98	96
Northumberland	79	89
Queens	95	77
Restigouche	96	97
St. John	119	115
Sunbury	100	104
Victoria	81	80
Westmorland	111	109
York	109	115

Source: See Table 2-5:

TABLE 2-7  
AVERAGE FAMILY INCOME, BY COUNTY  
(NOVA SCOTIA)

<u>County</u>	<u>% of prov. (1961)</u>	<u>% of prov. (1971)</u>
Annapolis	89	81
Antigonish	95	108
Cape Breton	102	93
Colchester	94	94
Cumberland	73	80
Digby	67	68
Guysborough	66	72
Halifax	125	124
Hants	89	87
Inverness	79	98
Kings	93	95
Lunenburg	80	84
Pictou	84	92
Queens	90	84
Richmond	73	88
Shelburne	70	77
Victoria	75	74
Yarmouth	82	79

Source: See Table 2-5.

TABLE 2-8  
INCOME AND FRANCOPHONE POPULATION  
BY COUNTY, NEW BRUNSWICK

<u>County</u>	<u>Family Income as % of prov. (1961)</u>	<u>% Fr. (1961)</u>
St. John	119	7
Albert	111	1
Westmorland	111	41
York	109	3
Kings	105	1
Charlotte	100	1
Sunbury	100	11
Madawaska	98	94
Restigouche	96	61
Queens	95	5
Victoria	81	38
Northumberland	79	27
Gloucester	79	85
Carleton	78	1
Kent	65	82

Source: See Table 2-3 and Table 2-6.

#### Evolution of Local Government in New Brunswick

Except for the City of Saint John, established by Royal Charter in 1785, local self-government as we know it today was not practised in New Brunswick until the mid-nineteenth century. Instead of the New England system of local democratic institutions, New Brunswick inherited the more 'conservative' system of quarter sessions. This system, developed in England over many centuries and transplanted in the southern colonies such as Virginia, was not really a system of local government; it was a system of central



administration of local matters by parish magistrates, who in practice enjoyed considerable discretion in local matters.

The English system vested local power and authority in the hands of crown-appointed parish magistrates or justices of the peace who normally assembled once or twice a year in county quarter sessions to deal with legal cases but also to appoint parish and county officials and to supervise local administration.<sup>3</sup>

One explanation for the slow development of 'democratic' local institutions in New Brunswick is that the British authorities blamed these institutions for part of the unrest that had led to American Revolution.<sup>4</sup> As a result, they discouraged the remaining colonies, after 1776, from developing such institutions. This argument, however, does not explain the differences between New Brunswick (and, as shall be seen later, Nova Scotia) and Upper Canada, where 'democratic' local governments evolved more rapidly. Crawford suggests that the explanation lies in part with the place of origin of the Loyalists who settled in the eastern provinces.

To a much greater extent than in Upper Canada, the Loyalist group was made up of those from the southerly American colonies where they had been accustomed to local government by Quarter Sessions. Distance and the difficulties of overland travel barred the southern colonists from Upper Canada; as their exodus had to be by sea, the Maritime Provinces were their logical destination.<sup>5</sup>

Crawford's logical explanation is challenged by Whalen who argues that no more than 7% of the Loyalists who migrated to New Brunswick were from the southern colonies. Whatever the explanation for the slow development of the system of local government in New Brunswick (and this shall be left for historians to answer), it can be stated without hesitation that the system of quarter sessions was the predominant form of local administration until the latter part of the nineteenth century.

In 1851, the Legislative Assembly passed legislation permitting the establishment of county governments. However, this did not result in the immediate creation of county governments throughout the province. For various reasons, not the least of which was a lack of interest on the part of the population which saw in county governments another means for the imposition of unwanted taxes, all counties did not ask for incorporation. Initially, only three counties out of fifteen were incorporated; by 1875, three more had achieved municipal status. Despite the obvious lack of general support or interest for county government, the Legislative Assembly in 1877 passed legislation requiring all counties to incorporate. This legislation remained the basis for rural local government in New Brunswick until the reforms of 1967.

It was earlier noted that Saint John was incorporated in 1785, making it Canada's oldest city. Sixty-three years passed before the incorporation of another city, that of Fredericton in 1848. Gradually other cities and towns were incorporated, and in 1896, the Legislature enacted a Towns Act regulating the incorporation and powers of towns. In 1920, the Villages Act was enacted providing for the incorporation of villages. Only four villages were incorporated under this Act and only one (Port Elgin) remained as such in 1966. As part of the 1967 reforms, the incorporation of villages became extremely popular. (This will be discussed in the next two chapters). The passage of a Towns Act and a Villages Act, however, did not prevent the proliferation of various other special statutes dealing with municipal affairs in the province.

Whalen suggests that the pattern of development of municipal administration after 1900 is one of incessant change.

The cumulative effect of these changes has been to alter, in qualitative terms, the very nature of local public administration. In the short span of three generations the structure of municipal responsibility in public affairs has been radically altered and the nature of provincial municipal relations has accordingly been changed.<sup>6</sup>

The changes referred to by Whalen deal with provincial supervision and financing of many municipal services, such as

education, health and welfare. Aside from the interdependence stemming from financial assistance, municipalities were subject to various forms of provincial control.

Municipal supervision assumes three distinct forms. First, the structure of local government and the powers of local councils are set out in the general municipal statutes, in the several charters or acts of incorporation, in a host of special or private acts ... in the many public statutes controlling major administrative areas such as education, welfare, public works, hospital services, community planning and public finance...

The second form of municipal control, namely direct supervision through a designated provincial official, was developed three decades ago largely as a consequence of deficient municipal fiscal practice...

A third and much more widespread form of control over municipalities is exercised by the lieutenant governor-in-council, through delegations of power to designated ministers or to a number of administrative regulatory boards, commissions or agencies.<sup>7</sup>

Thus, the clear division of responsibilities and functions that had existed at the end of the nineteenth century was now 'muddled', with the provincial government beginning to get actively involved in the provision of what were once considered 'local' services. The extent of that involvement will be seen later in this chapter.

One administrative sector that had witnessed some important modifications before the Byrne Commission was that of education. From a total of 1550 in 1938, the number of school districts had fallen to 470 by 1962 as a result of the provincial government's encouragement of consolidations.

With the introduction of a county unit for school finance purposes in 1943, coupled with a capital assistance programme for rural districts, the trend towards school district consolidation got under way immediately after the conclusion of the war.<sup>8</sup>

Although not normally extending to the urban districts within county boundaries, the introduction of county school finance boards in all counties except Restigouche constituted the first step towards the equalization of educational opportunity, albeit within the narrow confines of the county unit. The purpose of such boards was to secure minimum school services in all school districts in the county through the imposition of a county-wide tax for school purposes, supplemented by provincial grants. However, due to the fact that the 'minimum' school services assured were still of poor quality, the level of educational services varied widely by region and was still very low in many rural and Acadian areas when these were examined by the Byrne Commission.

The Byrne Commission was not the first Royal Commission in New Brunswick to look into matters concerning local government. During the 1950s, two other Commissions had submitted reports suggesting changes in the pattern of municipal finance/assessment and education. One of these, the MacKenzie Royal Commission on education, was frequently mentioned in the briefs presented to the Byrne Commission. Before dealing with the Byrne Commission in the next chapter,

the major recommendations of both the Royal Commission on the Financing of Schools (1955) and the Royal Commission on the Rates and Taxes Act (1951) will be briefly reviewed.

Whalen suggests that the Commission on the Rates and Taxes Act was appointed largely as a result of representations by the New Brunswick Association of Assessing Officers. It was asked to make recommendations on the following topics: a) sources of municipal revenue; b) methods of assessing and collecting local taxes; c) methods of determining apportionment of taxes as between parishes, cities, towns and villages within counties.<sup>9</sup> The major elements of the Commission's work can be divided into two parts: one dealing with assessment and collections, the other concerning municipal revenue.

The Commission found, to no one's surprise, that the methods and system of assessment and collections in New Brunswick were not in keeping with modern practices. The assessment and collection functions were very decentralized, resulting in a lack of uniformity throughout the province. Many of the people involved were poorly trained and worked on a part time basis. The Commission's reaction to this situation was to recommend a more centralized system of assessment and collection; that is, centralization at the county level. In many counties, the assessment and collection function was organized at the parish level. Another recommendation of the

Commission was for some form of assessment equalization throughout the province to remedy the inequities of the existing system. The government, while making some modifications to the assessment and collection systems, did not accept the Commission's recommendation for compulsory centralization at the county level of both the assessment and collection function. However, later (1961-1962) amendments provided for a mandatory structure for county assessment purposes. Then, the collection of taxes was at the county level in ten of the fifteen counties, with Kings, Restigouche, Saint John, Victoria and York as the exceptions.

The other study of interest here is the Royal Commission on the Financing of Schools in New Brunswick (MacKenzie Commission) which submitted its Report in 1955. One of the major recommendations of this Commission was a proposal for a minimum or foundation program in all school districts based upon evenly distributed expenditures in each municipality. The introduction of a foundation program similar to the one proposed by the Nova Scotia Royal Commission on Public School Finance would have, in the Commission's thinking, alleviated the severe regional disparities that existed in New Brunswick in relation to the quality of education.

Another major recommendation dealt with central control over the educational system. At that time, there

were approximately four hundred school units in the province, the majority of which were very small and poorly financed.

The MacKenzie Commission recommended

...further extension of central surveillance through the appointment of an official in the department of education charged specifically with the maintenance of general oversight over the educational program throughout the province.<sup>10</sup>

In addition, the Report recommended that a county school unit be introduced to oversee education within the county. This would have expanded considerably the powers of the existing county school finance boards.

While some of the recommendations of the MacKenzie Commission were accepted (e.g., the Province did increase its financial assistance to local school boards), the main features of the educational system remained intact until the 1967 reforms.

#### Evolution of Local Government in Nova Scotia

The development of local government in Nova Scotia was slow, initially as a result of resistance by the House of Assembly and later due to the opposition to local government on the part of the rural inhabitants of the province. Although Brebner<sup>11</sup> refers to the New England 'town-meeting' tradition prevalent in Nova Scotia after the American Revolution, this tradition was not necessarily



adhered to by the majority of the population, nor did it survive for long. Beck suggests that:

In the 1760's and 1770's many voices had called for local self-rule as a part of a Briton's birthright, as a blessing in itself apart from the specific advantages it might confer. These voices had become altogether muted by 1830. Thereafter it would be difficult to find many Nova Scotians who treated local self-government in the abstract as a matter of inalienable right. Perhaps nothing more could have been expected from a new generation which had never lived under or used such institutions.<sup>12</sup>

After considerable turmoil and debate, including the famous Joseph Howe libel trial, Halifax was incorporated in 1841. In 1855 county incorporation was permitted, and in 1856 so was the incorporation of townships. As in New Brunswick, the voluntary incorporation of counties and townships did not result in the creation of many municipal units. The House of Assembly therefore passed the County Incorporation Act in 1879, which made compulsory the incorporation of all rural areas of the province either as counties or districts. In 1888, the Towns Incorporation Act allowed for the incorporation of towns without recourse to the House of Assembly.

The municipal system created in the latter part of the nineteenth century remained largely unaltered except for the provincial-municipal fiscal arrangements. This is not to suggest that the piecemeal alterations of the last century

have not substantially modified the manner in which the system operates, only that the basic framework has remained.

In summary, it may be pointed out, as Professor John Graham has done, that even though no integrated reorganization in provincial-municipal relations has occurred in Nova Scotia in the postwar period, four major departures from long-established practice have occurred which, when taken together, constitute a genuine revolution in these relations.<sup>13</sup>

The four major departures referred to by Graham are the following: (1) the introduction of the Foundation Program in education; (2) the introduction of a comprehensive hospital plan which relieved the municipalities of most of the operating costs of hospitals; (3) the introduction of grants to municipalities for the support of the incurable, harmless insane (contingent, however, on their meeting provincial standards); and (4) the introduction of grants to municipalities for direct poor relief.

Beck suggests that "it is true that no provincial government since 1879 has deemed it politic to place a scheme for the radical transformation of municipal government before the Nova Scotia Legislature."<sup>14</sup> There were, however, numerous studies between the end of World War II and the creation of the Graham Commission (1971) which recommended fundamental changes.

Upon resuming the premiership of the province in 1945, Angus L. MacDonald became more responsive to municipal

demands for more assistance. Partly as a result of the Dominion-provincial financial negotiations, he summoned a provincial-municipal conference in 1947 with the intention of examining the distribution of authority between the provincial and municipal governments. This conference did not produce the results hoped for by the provincial government. Rather than initiate proposals that would serve as a basis for discussing the redistribution of authority between the province and municipal governments, the municipalities appeared to be only interested in securing a greater share of provincial revenues.

Somewhat disgustedly, the Minister of Municipal Affairs expressed regret "that the real purpose for which the meeting had been called had only been discussed by the way" and promised a study of provincial-municipal relations which would not be a "makeshift or stopgap piece of work", but the blueprint of arrangements which would last for many years to come.<sup>15</sup>

The study referred to was the Rowat Report,<sup>16</sup> submitted in 1949 but largely ignored by the provincial government. This Report had recommended the creation of nine regional governments which would administer substantial portions of services such as education, welfare and justice, considered to be of more than local concern. However, the existing municipal units were to be retained as the lower tier of a two-tier municipal structure, responsible for more 'local' matters. Moreover, Rowat proposed additional provincial

support for these services and a grant structure which he considered to be one of equalization.<sup>17</sup>

As a result of the rapidly increasing cost of education and the inequalities inherent in the existing financial arrangements, the provincial government in 1953 instituted a Royal Commission on Public School Finance (Pottier Commission)<sup>18</sup> which recommended the adoption of a minimum (foundation) program in education and provincial assistance to the municipalities based on the 'ability to pay' principle. The grant formula proposed by Pottier and accepted by the government was designed to equalize property tax burdens in relation to education and assure a minimum acceptable level of services throughout the province. To achieve this end, the Pottier Commission recommended that a uniform tax rate (initially \$.80/\$100. of assessment) be calculated for each municipal unit as its contribution to the cost of the foundation program defined by the province. The remaining cost would be borne by the provincial government. Because of variations in assessment per capita among municipalities, the provincial government's contribution to each municipal unit varied considerably, from 25% to close to 90% of the cost of the foundation program, thus introducing a substantial equalization element.

However, the redistributive element in the program was minimized by the provision of a minimum provincial

contribution of 25%. Had the Pattier Commission been consistent with its initial argument of a uniform municipal tax rate applied to educational purposes, one-third of the urban municipalities would have received less than 25% support and six would have received nothing at all. To make the proposed reform politically acceptable, the Commission recommended a minimum level of support for all municipalities. Graham argues that this "is an example of a carefully considered, if imperfect, formula being compromised for the sake of political expediency".<sup>19</sup> However, he considered the new grant structure superior to the existing one.

In addition to providing financial assistance to municipalities for what Graham considers 'general' services (education, health, welfare, administration of justice), the province of Nova Scotia in 1967 introduced a new system of grants to municipalities for local services. According to Graham:

The new Municipal Services Program of the government of Nova Scotia represents a major move into systematic provincial assistance with local services. It constitutes concrete acknowledgement by the government of its responsibility for ensuring that local as well as general services are provided at adequate levels throughout the province with similar tax burdens. That this program does represent a major

development in provincial-municipal fiscal relations in Nova Scotia should not be lost sight of in the course of considering the weaknesses in the program, with which this article is partly concerned.<sup>20</sup>

The deficiencies, according to Graham, were essentially twofold. First, the proportions used for the financing of the foundation program developed by Pottier were applied to the new grant system for certain local services without verifying their applicability in a different context. Secondly, as with the foundation program, the minimum grant of 25% was calculated after, instead of before, the equalization element had been calculated.<sup>21</sup>

Although Graham argues that the 25% minimum grant to municipalities reduced the equalization element in those provincial grants, others (the Provincial-Municipal Fact-Finding Committee) have suggested that there was excessive equalization because of two key elements. First, the grant formula failed to recognize the higher costs of services in the larger centers. Secondly, the use of equalized assessment per capita as an indicator of ability to pay was questioned. The higher equalized assessment per capita in Halifax/Dartmouth may just be a reflection of the shortage of housing in that area in comparison to the rest of the province.

Aside from the question of finance, the issue of territorial organization of Nova Scotia's municipal units has

been the subject of much discussion since the second World War. As noted earlier, Rowat had recommended a two-tier system of municipal government with the regional tier having much of the responsibility for education, health, welfare, and the administration of justice. Although Rowat's proposals were cautious in that they included the retention of all existing municipalities (albeit with diminished responsibilities) and the provision that the entry of towns and rural municipalities into the regional government be on a voluntary basis, they met with criticism on the part of the Union of Nova Scotia Municipalities. The provincial government ignored the Report.

In 1962, the Conservative government of Robert Stanfield asked Mr. Outhit to inquire into the need to periodically review municipal boundaries. The outcome of his study was the enactment in 1964 of the Municipal Boundaries and Representation Act which delegated to the Board of Commissioners of Public Utilities wide powers over municipal boundaries. However, the annexation hearings held have usually been conducted in an 'ad hoc' manner, and on a 'quasi-judicial' basis, in large part due to the nature of the Public Utilities Board.

Towards the late 1960s and early 1970s, the four major urban areas of the province were under study for possible amalgamations or for the creation of regional

governments. The Finnis Report<sup>22</sup> on Cape Breton, the Sandford Report on Pictou County,<sup>23</sup> and the Steering Committee on the Strait of Canso<sup>24</sup> all recommended amalgamation in those areas. The Steering Committee recommended two municipal units, one on each side of the Strait. These recommendations differ from the Rowat Report in that they rejected the two-tier solution envisaged by Rowat. The Metropolitan Area Planning Committee for the Halifax/Dartmouth Area suggested a regional council for Halifax, Dartmouth, and part of Halifax County. This, however, was not well received, especially by Dartmouth and the County.<sup>25</sup> None of the above proposals was acted upon.

At about the same time as the above-mentioned studies were being conducted, a Provincial-Municipal Fact-Finding Committee was also considering changes in the structure of local government in Nova Scotia. This Committee, composed of provincial cabinet ministers and mayors/wardens, was chaired by the Premier. Beck suggests that it was more of a provincial cabinet committee than a joint committee, although it acted in consultation with the Union of Nova Scotia Municipalities. Regardless of its nature, it concluded that there were too many units of local government in the province.

In Report 2, the Fact Finding Committees stated:



1. its belief that there were too many units of local government for efficient administration;
2. there should be active encouragement of municipalities by the province to reduce the number of such units.<sup>26</sup>

In a study for the Deutsch Commission on Maritime Union in 1970, John Cameron suggested that, while the Committee's proposals were not binding on the provincial government, "it is expected that they will become provincial policy".<sup>27</sup> However, no action was taken on this proposal by the Progressive Conservative government of G.I. Smith which shortly thereafter lost the next provincial election. The issue of municipal reorganization was then placed in the hands of a Royal Commission by the new Liberal government of Gerald Regan.

#### Local Government Prior to the Commissions

In order to understand the situation in relation to the Byrne and Graham Commissions, it is necessary to briefly describe the pattern of local government and provincial-municipal relations that existed prior to those studies, in the areas of: (1) territorial organization; (2) allocation of responsibilities; and (3) financial structure. A comparative analysis will be provided.

Prior to the reorganization attempts, the entire landmass of both provinces (with the exception of Sable Island in Nova Scotia) was included in one or another municipal unit. As shown in Table 2-9, New Brunswick had fewer municipal units than Nova Scotia, although the average size in terms of population was not very different (see Table 2-10).

TABLE 2-9  
CATEGORY AND NUMBER OF MUNICIPAL UNITS

Category	Nova Scotia (1971)	New Brunswick (1961)
Cities	3	6
Towns	38	21
Villages <sup>a</sup>	0	1
Rural	<u>24</u>	<u>15</u>
Total	65	43

<sup>a</sup> Villages in Nova Scotia were not considered as municipal units, given their limited functions. In addition, both provinces had local improvement districts within the rural municipalities which were also not considered as municipal units.

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Source: Graham Report, Vol. II, Ch. 3, 9-11; and Byrne Report, 59-62.

However, rural municipalities in Nova Scotia included eleven units that were smaller in population than any county in New Brunswick. Thus the eventual abolition of the county units in New Brunswick and the retention of the rural units in Nova Scotia cannot be due to the 'smallness' of the New Brunswick counties. Although they may have had poor tax bases, they were not necessarily small in terms of population by Maritime standards.

TABLE 2-10  
POPULATION BY CATEGORY OF MUNICIPAL UNITS

		Nova Scotia (1971)	New Brunswick (1961)
Cities -	Average	73345	25865
	Smallest	33230	9873
	Largest	122035	55153
Towns -	Average	4560	3660
	Smallest	758	782
	Largest	22440	12170
Village		-	661
Rural -	Average	16486	24598
	Smallest	3079	10626
	Largest	74656	59218
Total - Average		12138	14239

Source: Graham Report, Vol. II, Ch. 3, 9-11; and Byrne Report, 59-62.

The range of functions assumed in whole or in part by municipalities in New Brunswick prior to the Byrne Commission and by municipalities in Nova Scotia prior to the Graham Commission was extensive, although generally not different from the majority of other Canadian provinces.<sup>28</sup> Only Prince Edward Island and Newfoundland municipalities had substantially fewer responsibilities than those of Nova Scotia and New Brunswick. The small size of Prince Edward Island, a little more than 100,000 population, precluded the municipalities from being given extensive powers. In Newfoundland's case, the late development of the municipal sector meant that many of the general services that were in other jurisdictions delegated to municipal governments in the nineteenth century, and which later became major provincial concerns, were never assigned to the municipal sector. Included in municipal responsibilities in both Nova Scotia and New Brunswick were the general services of: (1) education; (2) social welfare; (3) health; and (4) the administration of justice. The governments of Nova Scotia and New Brunswick had become extensively involved in these general services through regulation (supervision) of those sectors as well as financial assistance. The extent of that financial involvement is shown in Table 2-11 and 2-12.

The major portion of the provincial grants were conditional, with New Brunswick giving a higher percentage of unconditional grants than Nova Scotia. For 1961,

TABLE 2-11

IMPORTANCE OF PROVINCIAL GRANTS FOR MUNICIPAL AND  
SCHOOL BOARD PURPOSES, NEW BRUNSWICK (1957-1961)

(thousands of dollars)

	1957		1958		1959		1960		1961	
	%		%		%		%		%	
Provincial Grants	8733	(24.9)	10037	(25.6)	11147	(26.3)	13729	(28.9)	15166	(29.5)
All Other Revenues	26303	(75.1)	28790	(74.4)	31260	(73.7)	33721	(71.1)	36254	(70.5)
Total	35036	(100)	38827	(100)	42407	(100)	47450	(100)	51420	(100)

Source: Byrne Report, Appendix O, Table 5.

TABLE 2-12

IMPORTANCE OF PROVINCIAL GRANTS FOR  
MUNICIPAL AND SCHOOL BOARD PURPOSES,  
NOVA SCOTIA (1961, 1966, 1971)  
(thousands of dollars)

	1961	%	1966	%	1977	%
Provincial Grants	20,084	(31.3)	34,112	(35.1)	105,501	(53.0)
All Other Revenues	44,158	(68.7)	63,133	(64.9)	93,521	(47.0)
Total	64,242	(100)	97,244	(100)	199,023	(100)

Source: Calculated from tables in Graham Report, Vol. II, Ch. 3, pages 25 and 87.

unconditional grants accounted for close to one-third of all provincial grants in New Brunswick as opposed to less than 20% in Nova Scotia. The following chapter on the Commissions' Reports will discuss at greater length the situation that confronted the Commissions in relation to municipal finance.

### Conclusion

As indicated earlier, the purpose of this chapter is to acquaint the reader with the local government structures in Nova Scotia and New Brunswick, as well as to provide basic economic and demographic data. Although not without

some differences, the evolution of local government in both provinces showed many similarities. Moreover, both had been relatively stable in terms of territorial organization and responsibilities since the late nineteenth century. Grant reforms stemming from the Pottier Report in 1954 had however eased the financial burden of Nova Scotia's municipalities and had improved the level of local services being provided in Nova Scotia.

## FOOTNOTES

1. For excellent accounts of the evolution of local government in Nova Scotia and New Brunswick, see J.M. Beck, The Evolution of Municipal Government in Nova Scotia 1749-1973 (Study prepared for the Nova Scotia Royal Commission on Education, Public Services and Provincial-Municipal Relations, September 1973) and Hugh Whalen, The Development of Local Government in New Brunswick (Fredericton: Queen's Printer, 1963). For the general history of the Maritimes: see William Menzies Whitelaw, The Maritimes and Canada before Confederation, (Toronto: Oxford University Press, 1966); Jean Daigle (ed.), Les Acadiens des Maritimes (Moncton: Centre d'études Acadiennes, 1980); and William Stewart MacNutt, The Atlantic Provinces: The Emergence of Colonial Society, 1712-1857 (Toronto: McClelland and Stewart, 1965).
2. For an analysis of Acadian political power see Edmund Auger, In Search of Political Stability: A Comparative Study of New Brunswick and Northern Ireland (Montreal: McGill Queen's University Press, 1981).
3. Whalen, The Development of Local Government, II.
4. D.C. Rowat, Your Local Government (2nd ed.; Toronto: McMillan, 1975), 7.
5. K. Grant Crawford, Canadian Municipal Government (Toronto: University of Toronto Press, 1954), 39.
6. Whalen, Development of Local Government, 90.
7. Ibid., 103-105.
8. Ibid., 54.
9. Ibid., 91-102.
10. Ibid., 67.
11. J.B. Brebner, The Neutral Yankees of Nova Scotia (New York: Columbia University Press, 1937), 212-217.
12. Beck, Evolution of Municipal Government, 11.
13. Ibid., 56.
14. Ibid., 58.
15. Ibid., 35.



16. The Reorganization of Provincial-Municipal Relations in Nova Scotia: A Report Prepared for the Government of Nova Scotia by the Nova Scotia Municipal Bureau (Halifax: Institute of Public Affairs, Dalhousie University, 1949).
17. For an analysis of this proposed grant structure, see John F. Graham, Fiscal Adjustment and Economic Development: A Case Study of Nova Scotia (Toronto: University of Toronto Press, 1963), 233-239.
18. Nova Scotia, Royal Commission on Public School Finance, Report (1954).
19. Graham, Fiscal Adjustment and Economic Development, 73.
20. John F. Graham, "New Municipal Services Plan in Nova Scotia: An Evaluation", Canadian Tax Journal, XV (September-October, 1967), 493.
21. Ibid., See also David M. Cameron (Comment) and John F. Graham (Reply), "Minimum Provisions in a Foundation Plan of Education Finance", Canadian Tax Journal (January-February, 1968).
22. Local Government in the Changing Economy of Industrial Cape Breton, 3 Vols, (Sydney: Extension Department, St. Francis Xavier University, 1968).
23. Pictou County Municipal Coordination Study, 2 Vols, (Halifax: Institute of Public Affairs, Dalhousie University, 1969).
24. See Beck, Evolution of Municipal Government, 46-47. For the Canso area, see also Raymond Foote, The Case of Port Hawesbury: Rapid Industrialization and Social Unrest in a Nova Scotia Community (Toronto: PMA Books, 1979), 118-123.
25. See Beck, Evolution of Municipal Government, 47-48.
26. Nova Scotia, Royal Commission on Education, Public Services and Provincial-Municipal Relations, Report (1974) (hereinafter referred to as the Graham Report), Vol. IV (Appendix), Ch 2, 13.
27. John R. Cameron, Provincial-Municipal Relations in the Maritime Provinces (Study prepared for the Maritime Union Study, August 1970), 20.
28. For a comparative analysis of municipal functions in Canada, see Graham Report, Vol. IV (Appendix) Ch. 4.

## Chapter 3

### REPORT OF THE ROYAL COMMISSIONS

#### Introduction

The purpose of this chapter is to outline the main features of the Byrne Report and the Graham Report. Given their scope, it is not feasible to attempt a comprehensive summary of both reports. The Graham Report, in particular, contains approximately seven thousand (7,000) pages dealing with a variety of matters ranging from school curriculum to the organization of various provincial departments. For the purpose of this study, only the recommendations relating to the major structural characteristics of local government will be analyzed. This includes the following three major areas: (1) the territorial organization of local government; (2) the division of responsibilities between the provincial and municipal levels of government; and (3) municipal finances. As noted in Chapter 1, these three areas can be considered the key elements of any municipal system. Before discussing the Reports, the creation of the Byrne and Graham Commissions will be briefly dealt with.

### Creation of the Royal Commission

Although the situation in New Brunswick regarding local government was becoming increasingly intolerable, as demonstrated by both the Love<sup>1</sup> and MacKenzie<sup>2</sup> Commissions, the 1960 election was strangely quiet on this issue. The Liberal Party, under the leadership of Louis Robichaud, had remained uncommitted on any changes in municipal policy.

Soon after taking office, however, the Liberal government began to look at the issues of local government and taxation. It quickly concluded that reforms were necessary. The actual reasons for Robichaud's desire to see reforms initiated may well stem from his poor rural background (as Belliveau<sup>3</sup> suggests) or a desire to improve the situation of the francophone minority of the province (as Leslie<sup>4</sup> implies). Regardless, the Liberal government of Louis Robichaud decided in 1961 to constitute a Royal Commission to inquire into matters concerning local government.

The actual title of this Royal Commission is misleading, referring only to taxation and municipal finance. While financial questions were obviously at the heart of the matter, the problem was much broader. This was recognized by the government in the comprehensive mandate given the Commission, which was broadly interpreted by the latter. The

Order-In-Council of March 8, 1962, constituting the Royal Commission on Finance and Municipal Taxation (hereinafter referred to as the Byrne Commission), empowered it:

to hold inquiry into and concerning the desirability and feasibility of:

- a) maintaining or increasing the present revenues of municipal bodies; and
- b) relieving individuals and industry of some part of municipal tax burdens by the substitution or creation of new or other sources of revenue or bases of taxation;

and without limiting the generality of, the foregoing, in particular with respect to:

- c) the form, method and manner of,
  - i) government,
  - ii) administration,
  - iii) assessment, rating and taxation (including methods),
  - iv) taxation concessions, taxation privileges and special taxation arrangements,
  - v) financing and expenditures, both capital and current (including controls),
  - vi) fiscal policies,
  - vii) boundaries, amalgamations, divisions, apportionments, consolidations, etc.,
  - viii) order and government, and
  - ix) a) payments, grants and subsidies, and
    - b) the distribution of payments, grants, and subsidies to or in behalf of, municipal bodies, including cities, counties, towns, villages, local improvement districts, civic associations, metropolitan areas, school districts, etc., and
  - d) the application of acts of the Legislature of New Brunswick relative to said municipal bodies.

The Commission was composed of five members: Edward Byrne as Chairman, a prominent corporation lawyer and ex-mayor of

Bathurst; Charles Wilson, a businessman from Saint John; Arthur Andrews, a businessman from St. Stephen; Ulderic Nadeau, a merchant and warden of Madawaska County; and Alexandre Boudreau, the director of public relations and continuing education at l'Université Saint-Joseph. The key staff of the Commission were all economists by profession. James F. O'Sullivan was the permanent secretary of the Commission. In addition, A. Milton Moore, Philip H. White and John F. Graham (later to chair the Nova Scotia Royal Commission on Education, Public Services and Provincial Municipal Relations) were hired as consultants.

One observer of the New Brunswick political scene notes that the choice of Byrne as Chairman of the Commission indicated that the government was serious in its desire for reform.

Le choix du président illustre bien les intentions du gouvernement. Edward Byrne, dans l'exercice de sa profession passait pour avoir une pensée sociale assez développée. De plus, il avait la réputation d'être sympathique à la condition des Acadiens dans la province.<sup>5</sup>

Whatever the intentions of the government, by 1962, the Byrne Commission was embarked on a course that would, if implemented, lead to sweeping changes in provincial-municipal relations in New Brunswick. By late 1963, the Commission submitted its Report to the government and by early 1964, the Report was made public.

In contrast to New Brunswick, a commission of inquiry had been proposed in Nova Scotia by the Liberals prior to assuming office in 1970. In fact, municipal or local reform had become a key element in the Liberals' political strategy while they were the Opposition. Although their overall policy on local government may not have been clear, some elements of that policy were nevertheless known prior to the 1970 election. In 1967, during the debate on the Conservative government's new Municipal Services Plan, Opposition Leader Regan described it as mere 'patchwork', claiming it did not deal with the main cause of the rising cost of education. The municipal poll tax was also an issue for the Liberal Party in the late sixties.

By that time, too, the poll tax had resulted in political clashes along party lines. The Liberals, during the elections of 1967, had called for its abolition, and in 1969 they carried their fight to the Legislature ... when the Liberals took over the government of the province, they quickly moved to abolish the poll tax even though it meant compensating the local governments for their losses.<sup>6</sup>

During the 1970 election, Regan had promised to review the system of education finance in the province. However, the Royal Commission's mandate was broader than the issue of financing education. As a result of representations made by various local government officials as well as internal sources, notably Fred Drummie and Michael Kirby, Secretary to the Cabinet and Principal Secretary to the Premier

respectively, the Commission's mandate was broader than first envisaged. The former seems to have been instrumental in enlarging the scope of reference of the Commission.

Drummie's preference for a broad mandate is possibly due to his experience as head of the Office of Government Organization (OGO), the agency responsible for implementation of the Program for Equal Opportunity in New Brunswick.

The terms of reference of the Royal Commission on Education, Public Services and Provincial-Municipal Relations, created in 1971, were broad and read as follows:

1. To inquire generally into the provision of education and other public services in the Province of Nova Scotia, and specifically:
  - (a) to examine and conduct studies of these services provided by the Province and by the Municipal units in the Province and of such services provided elsewhere;
  - (b) to examine studies, reports and information relating to these services;
  - (c) to examine the past, present and possible future means of financing these services.
2. To report to the Governor in Council the evidence and findings of such an inquiry.
3. To recommend to the Governor in Council the means whereby these services may best be provided, and specifically:

- (a) whether or not the quantity and quality of these services should be altered, and if so, the extent of these changes;
  - (b) the extent to which each level of Government, Provincial and Municipal, should be responsible for the respective services;
  - (c) the means whereby the costs of these services can and should be paid and the level of Government which, considering the responsibilities and fiscal resources of each level of Government, should be responsible for paying part of all of these costs.
4. The power and authority of the said Commissioners shall extend to, and include, all matters which they consider relevant to the inquiry.

These terms of reference were in addition broadly interpreted by the Commission, an interpretation which went farther than the intent of the Liberal Government which had written them.

The Royal Commission consisted of Dr. John F. Graham as Chairman, a Dalhousie University economist; Edwin C. Harris, a tax lawyer; and Charles E. Walters, a former Warden of Lunenburg County. The main support staff were Lawrence E. Sandford (Secretary to the Commission), Gerald J. McCarthy, Zilpha Linkletter and John R. Cameron. In 1974, after three years of extensive study, including numerous public hearings, the Commission handed down its Report which contained hundreds of recommendations on the nature of local government and provincial-municipal relations in Nova Scotia.



### Basic Purposes of the Reports

Both the Byrne and Graham Commissions were comprehensive and radical. They did not hesitate to recommend major changes in provincial-municipal relations. According to the Report of the Byrne Commission, the members of the Commission were soon convinced to "spare nothing" in their search for a better system of provincial-municipal relations in New Brunswick.

At the outset, therefore, we became resolved to recommend whatever changes were essential to an improvement of the many activities of municipalities, however startling they might at first appear. We resolved to treat no established pattern of relationships nor structure of government as inviolate. Certainly change for the sake of change has no virtue. But if change were unavoidable if the public interest was to be served, we were resolved to recommend it.<sup>7</sup>

That the Commission was not timid in its work is amply illustrated by the adjectives attributed to the result of the Commission's work. For example, Krueger talks of a provincial-municipal 'revolution' in New Brunswick.<sup>8</sup> Nova Scotia did not, however, experience any 'revolution' in provincial-municipal relations although the Graham Commission's Report was possibly even more radical. At the very least, it was certainly more comprehensive, going into detail on every element of local government and even proposing a very detailed plan of implementation.

One of the major differences between the two Reports relates to the rationale of the changes proposed. The Byrne Commission invoked broad objectives, such as the need to attract industry and the reduction of regional disparities, as justification for its proposed reforms. On the other hand, the Graham Commission's major argument for large-scale change in Nova Scotia was the 'rationalization' of the municipal system and of provincial-municipal relations. To some extent it might be argued that the difference is more one of style than of substance. However this does not diminish the importance of such a difference inasmuch as the key distinction between distributive and redistributive policy relates to the perception of 'winners' and 'losers' (who benefits and who pays) regarding a particular policy. Thus, the invoking of broad objectives as justification for a particular policy may be instrumental in the public perception of that policy and therefore in its categorization.

The need to attract industry was a more important factor in New Brunswick than in Nova Scotia. It has been suggested by some students of the New Brunswick socio-political scene that the key motives for the 1967 reforms were industrial development and modernization.<sup>9</sup> The Report itself contains passages that support this argument.

During all our inquiries and deliberations,  
in the formulation of our recommendations

and in the writing of this report we have been constantly mindful of the province's need for more industry and a more rapid economic expansion...

We are convinced that the implementation of our recommendations would do much to create a climate favorable for economic growth.<sup>10</sup>

To the extent that social reform and economic growth go together or at least might be seen as being parallel developments, there can be no doubt that industrial and economic growth were key factors motivating the Commission and eventually the government.

In relation to the argument concerning modernization, the following passage from the Report's "Summary of Findings and Recommendations" should be noted:

'Innovation is a state of mind and innovation includes the adoption of superior methods developed by others. Our province can muddle through from one problem to another. Or it can put its house in order and become justifiably proud of its collective government accomplishments. We often envy the greater affluence of our sister provinces; but we need not retain the reputation that our governmental activities are even less developed than our economy. We may, if we are so resolved, become a model of enlightened government.'<sup>11</sup>

The 'bottom line' of the Commission appears to have been that even if it could not modernize the New Brunswick economy in a short period of time, it should at least modernize its socio-political structures.

In contrast, the recommendations of the Graham Commission were designed to rationalize the provision of public services in Nova Scotia. The Report does not clearly bring out other objectives that would be achieved by the adoption of its recommendations, other than possibly some economic development. The first substantive chapter of the Report of the Graham Commission deals with the provincial economy as one of the key elements in the issue of public services and goes on to suggest that the proposed reforms have a relationship to economic development.

It is our firm conviction that the competent discharge of provincial responsibilities, including the effective and efficient provision of provincial services, constitutes the essential foundation for effective action in the field of economic development. Good government is the starting point.

Certain of our recommendations, although designed primarily to achieve other objectives, have particular importance in relation to economic development.<sup>12</sup>

Thus, economic development might well be served by the Commission's recommendations, but in a somewhat incidental manner; that is, although the Graham Commission argued that the proposed reform would be beneficial for economic development, this did not constitute the major objective. In contrast, an earlier study by Lawrence Sandford had argued for municipal amalgamations as an "aid to economic development".<sup>13</sup> Given Sandford's key role as Secretary, one might have expected this element to have surfaced as a key



motivation for the municipal reorganization proposed by the Graham Commission; however, it did not.

The other major objective of the Byrne Commission's proposed reform was the elimination or at least reduction of regional disparities in New Brunswick. Although the overall municipal tax burden was not considered excessively high on a provincial basis, the Commission found evidence of a startling disparity in tax burdens within the province.

A study conducted for the Commission compared the rates of taxes actually paid on taxable real property during 1961 on the uniform basis of assessment at market value. On this basis, the levies ranged from a low of \$1.21 to a high of \$5.26 per \$100 of market value ... The conclusion from this is obvious: families and companies in some municipalities make very large tax contributions to the costs of education and other municipal services in relation to those made by similar families and companies in other municipalities.<sup>14</sup>

Although there may have been differences between regions with respect to market values, the spread found by the Commission is an obvious indication of a 'malaise' that existed within the province.<sup>15</sup> These disparities were between urban and rural but more importantly, at least politically, between a predominantly francophone north and an anglophone south. The elimination of these disparities was to become the rallying cry of the government's Program for Equal Opportunity. The Byrne Commission was in fact arguing for a better distribution of economic wealth and public services; that is, a redistribution of those goods.

Although regional disparities existed in Nova Scotia, they were not as pronounced as in New Brunswick. Moreover, these disparities did not necessarily reflect on the quality of municipal services, including education, because of previous changes in provincial-municipal finance, notably the foundation programme in education (brought in as a result of the Pottier Commission in 1954) and the Municipal Services Act of 1967. Both included an equalization element which enabled the poorer municipalities to offer an acceptable level of municipal services. Thus, the Graham Commission could not justify its recommendations on the redistributive grounds of reducing regional disparities.

#### Allocation of Responsibilities

The Byrne and Graham Commissions proposed similar allocations of responsibilities between the provincial and municipal levels of government, basing these allocations in large part on their definition of general and local services. Both definitions are to a large extent concerned with the economic argument of spillover and externalities prevalent in the public finance literature.

Early in its examination of the division of responsibilities, the Byrne Commission stated:

The wide variety of services currently provided by New Brunswick municipalities can be divided roughly according to whether they are of a local or of a general nature; that is, according to whether the benefits from them accrue only to the inhabitants of the municipalities or whether they are spread throughout the province or the nation. All of the services presently provided by the municipalities were at one time generally considered to be most appropriately performed locally.

... The distinction between local and general services is of value because it divides functions of government into those which are more or less clearly the preserve of the local government and those for which the province might appropriately share or assume responsibility.<sup>16</sup>

Functions considered to be of a general nature were education, health, welfare and the administration of justice.

Assessment and tax collection were also to be included in the transfer of responsibilities from the municipal to the provincial level of government, although for reasons other than the argument of the 'spillover' of benefits.

That the provincial government should participate in the financing and administration of these general services was never an issue. The Provincial Government had been involved in the fields of education, health, welfare, and the administration of justice for a long time although these were still formally municipal responsibilities. Provincial participation in those fields was already extensive, prompting the



Commission to conclude that it constituted an encroachment on the autonomy of municipalities. According to the Byrne

Commission:

Consequently, the municipalities no longer have effective control over the nature of education, welfare, public health or hospitals, or the local institutions involved in the administration of justice. They have become the instruments of the province for the administration of services for which the major policy decisions are and must be made by the provincial government.

... Local autonomy with respect to the general services is already minimal.<sup>17</sup>

The recommendation to relieve the municipalities of the responsibility for general services was considered by the Commission to constitute an increase in municipal autonomy, although it was not so perceived by the municipalities. It should be noted that the Graham Commission in Nova Scotia argued much the same thing.

Having accepted the premise that the provincial government should participate in the delivery of the general services, the Byrne Commission then examined the alternative forms that participation could take. In order to assess those alternatives, the Commission first set out the basic requirements which their recommendations had to satisfy. In short, their recommended program had to be "economical, equitable, democratic, courageous, and enlightened."<sup>18</sup>

The Byrne Commission found two principal alternatives open to them, both of a redistributive nature. They could recommend the maintenance of the existing division of responsibilities and the introduction of conditional equalization grants to enable the municipalities to provide defined levels of general services with equal tax burdens. Or they could recommend a

...re-allocation of responsibilities for services by having the provincial government assume responsibility for education, health, welfare, administration of justice, and operation of gaols, that is for the general services, and the rationalization of the property tax structure.<sup>19</sup>

However, the Byrne Commission seems to have only seriously examined one alternative; the first alternative was considered patchwork which was "no solution at all and is one which we are convinced should be firmly rejected".<sup>20</sup>

Thus, the reallocation of functions between the provincial and municipal levels of government was judged to be the only acceptable solution to the inadequate levels of service in New Brunswick. The Commission detailed at some length the deplorable state of affairs in many parts of the province (especially the rural areas) in the administration of the general services. In addition to the specific arguments that it would make for the assumption of each particular general service, the Byrne Commission had two fundamental arguments applicable to all of these services.

- (1) Since they all bestow a general benefit, that is, one not confined to the locality in which the recipients reside, and since they are now universally regarded as a right to which all citizens are entitled, the responsibility for determining and providing them should rest with the province. The level of service received should not depend on the particular economic circumstances of the locality in which a citizen resides.
- (2) The services have so expanded in amount and have become so complex in nature that they can only be satisfactorily provided by the higher provincial level of government with adequate resources and with a highly trained and specialized staff.<sup>21</sup>

In addition to the general services, the Byrne Commission recommended that assessment and tax collection also be transferred to the provincial government. This reallocation was justified on the grounds of administrative efficiency and competence.

Aside from the above considerations, the Byrne Commission, mindful of the need to spur economic development, argued that the improvement of services was necessary to attract industries to the province. In particular, the Commission saw the need to modernize the educational system in order to maximize the human potential in New Brunswick.

The existence of a skilled work force, including persons with professional or semi-professional skills, is always a necessary condition and is often the most important factor in the stimulation of industrial expansion ... But even on the single ground of speeding industrial

expansion, better education would be amply justified. We consider that this investment will be far more rewarding than such other public projects as building roads to resources ...<sup>22</sup>

The centralization of those key general services was seen as the most efficient manner in which to assure the improvement in services deemed instrumental for industrial expansion. In his work on fiscal adjustment and economic development in Nova Scotia, John Graham has argued that the best allocation of resources, both between the public and private sectors and within both sectors, is of even greater importance in the poorer provinces than in the richer ones.<sup>23</sup> It should be remembered that in the 1960s, New Brunswick was one of the poorer provinces and the Byrne Commission, with Graham as one of its key consultants, was trying to devise a strategy to maximize the industrial potential of the province.

The Graham Commission, as did the Byrne Commission, began its examination of the allocation of responsibilities between the provincial and municipal levels of government by making the distinction between 'general' and 'local' services.

General services are those that the interest and well-being of all Nova Scotians require should be provided at adequate and, so far as is feasible, uniform levels throughout the entire province because the benefits from them extend throughout the province and are not limited to the communities in which they are provided...

Local services are those whose benefits accrue exclusively or primarily to residents of the regional or local area in which they are provided and do not significantly affect residents of other areas, either in the short term or in the long term.<sup>24</sup>

These definitions are based essentially on the economic concept of spillover (externalities).

Having distinguished between general and local services, the Commission then considered the existing allocation of services and concluded they were not based on any rationale; instead, they were based on circumstances and approach of a distant past. To remedy this, the Graham Commission developed criteria for the evaluation and allocation of functions, although it did not mechanically apply these criteria. The three elements suggested by the Commission were:<sup>25</sup>

- (1) Effectiveness and Economy: A public service should be provided in the most effective and economical manner.
- (2) Benefit: The cost of a service should be borne by the citizens in the community, whether local or regional, or province-wide, that benefits from it, and not by citizens in other communities.
- (3) Citizen Preferences: So far as possible, the nature and level of a service should be a response to the needs and preferences of citizens in the community to which it is provided.

The third criterion was also utilized in the evaluation of the administration of provincial services and the proposals

for decentralization of such, while the second criterion was also utilized in the proposals for internal county administration and the justification for area rates.

Having laid out the basic criteria for the division of responsibilities, the Commission then went on to discuss at great length the details of all the general and local services, and assigned them to one or both levels of government. It assigned general services to the provincial government and local services to the local governments.

Our rationale in this regard is first, that generally speaking, the provincial government should provide those public services that are primarily of province-wide concern because all Nova Scotians are significantly affected, directly or indirectly, by their quality and effectiveness; and, second, that the municipalities should provide all those other public services that are primarily of local concern. We would add that the financial resources allocated to the municipalities should parallel their responsibilities for services and that some of the purely professional or technical services such as assessment, tax billing, or borrowing for municipal capital purposes should be provided by the level of government that is likely to be able to do the job effectively at lowest cost.<sup>26</sup>

With this in mind, the Graham Commission recommended the following allocation of responsibilities:

Provincial Government Services

- 1) Education (including libraries)
- 2) Health
- 3) Social services and Housing
- 4) Provincial-municipal communication respecting education, health, welfare and housing

- 5) Administration of justice
- 6) Transportation (primarily "provincial roads")
- 7) Municipal capital borrowing
- 8) Assessment
- 9) Property tax billing and collection
- 10) Local improvement charge billing and collection
- 12) Pensions administration

#### Municipal Government Services

- 1) General government
- 2) Police protection
- 3) Fire protection
- 4) Other protection
- 5) Emergency measures
- 6) Transportation services (other than "provincial" roads)
- 7) Other public works
- 8) Water supply and sanitary sewerage
- 9) Garbage and waste collection and disposal
- 10) Other pollution control
- 11) Recreational and cultural services
- 12) Beautification
- 13) Business, port and tourist promotion
- 14) Physical planning, zoning and subdivision regulations

Two points should be made concerning the Graham Commission's proposed allocation of responsibilities. First, except for transportation services, all services are the exclusive responsibility of one level of government. Even transportation, for example, is not viewed as a shared jurisdiction; it is regarded as a divided jurisdiction, divided according to the type of road. Secondly, the new allocation of functions divests the municipal level of most general and support services but does not take any away from the provincial level. However, this does not automatically imply that the municipal sector was being 'stripped' of much

real power or importance. On the contrary, the Graham Commission argued that the net result of the proposed changes would be to strengthen local government by giving it the ability to better administer those services with which it would be left. The Commission stated:

Our final consideration has been whether the allocation of responsibilities that we recommend would enhance the ability of municipal governments to make significant decisions and to take effective action for the well-being of the citizens they serve. We are convinced that it would do so.<sup>27</sup>

It should be noted that the general services such as education, health and welfare were already financed and controlled to a large extent by the provincial government under various statutes and regulations. The provincial takeover proposed by Graham was thus for the remainder of the powers and responsibilities that still belonged to the municipalities in those areas.

Although both Royal Commissions proposed that the provincial level of government should assume the administration of the general services, they were nevertheless not satisfied with the structure and practices of that level of government. Both, and in particular the Byrne Commission, recommended modifications in the provincial public service. The Graham Commission limited itself to proposing changes within the existing departmental structure, including a new cabinet committee and support system that would enable it to



coordinate and manage the new responsibilities that were being entrusted to the provincial government.<sup>28</sup>

The Byrne Commission, on the other hand, was much less concerned with the overall coordination of policy between various policy sectors. It was concerned instead with the efficient administration of those general services. The Commission was of the opinion that the existing civil service was too inefficient and patronage-riddled to be entrusted the task of managing those key services. Based in large part on Alexandre Boudreau's study of the Swedish system of administrative commissions, the Byrne Commission recommended the adoption of a similar structure for New Brunswick.<sup>29</sup> According to the Commission:

We are equally convinced that it would be folly to give the responsibility for developing and executing the new programs in education, health, and welfare to the respective governmental departments as they are presently constituted. We have accordingly recommended that administrative commissions be established to develop and administer these programs.<sup>30</sup>

The Commission noted that the commission form of administration was not always the best but that given the then existing situation in the New Brunswick civil service, it was the only way to bring about reform in these areas.

The concept of administrative commissions differs from the regular Canadian departmental structure in that the

role of the Cabinet is limited, extending only to the determination of general policy and the approval of commission budgets. The actual administration of the services was to be under the control of a commission (board) whose members were to be appointed by various individuals and agencies such as the Anglican and Roman Catholic Churches (for the education commission), the Medical Association (for the health commission), the Chamber of Commerce.

#### Territorial Organization (Byrne)

The Byrne and Graham Commissions differed substantially on the issue of territorial organization. Whereas the Graham Commission dealt extensively with this matter and considered it a crucial element, the Byrne Commission placed less emphasis on the 'rationalization' of municipal boundaries. Given this difference, and the fact that the proposals went in opposite directions, the recommendations of the Commissions will be treated separately in this study.

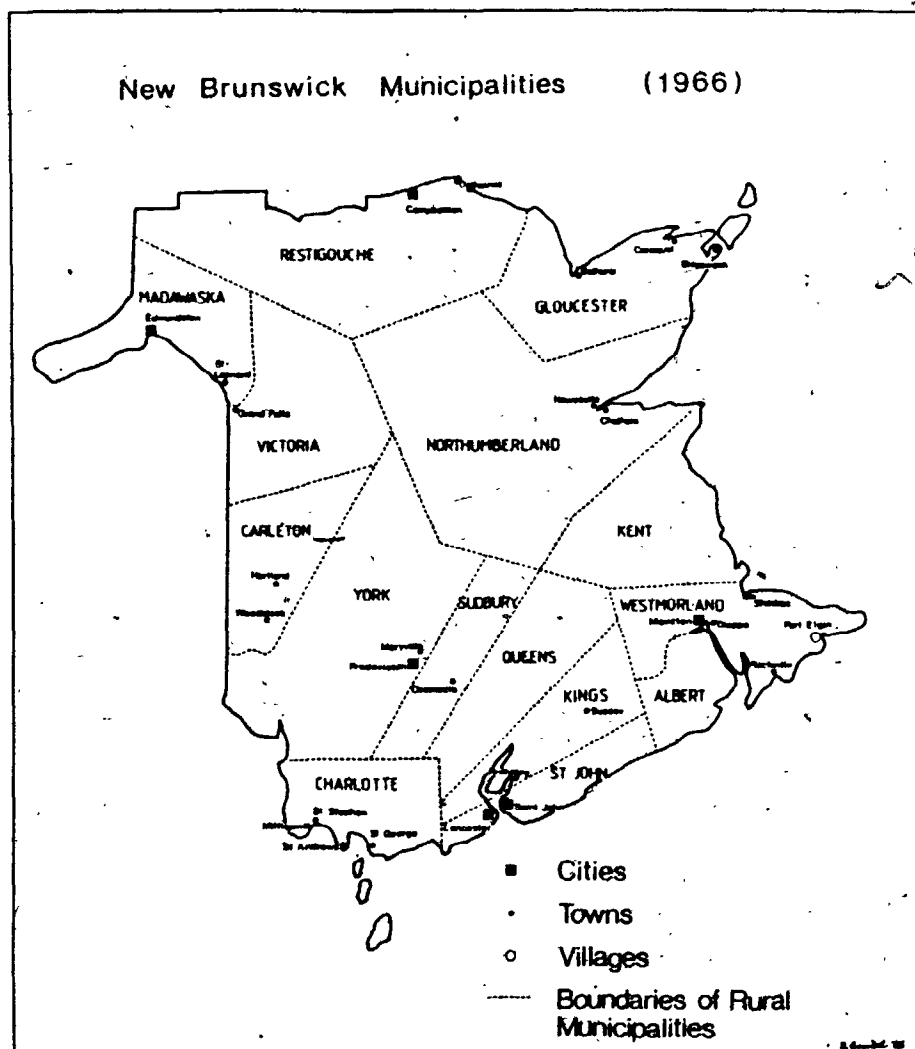
At the time the Byrne Commission was conducting its investigation, the municipal landscape in New Brunswick comprised fifteen counties, six cities, twenty-one towns and one village. (See Figure 3-1) In addition, there existed approximately fifty active local improvement districts and ten or so local administrative commissions which could be

classified as quasi-municipal units. The county governments included representation from both urban and rural areas. This structure was to be substantially affected by the recommendations of the Commission, although some would argue that the Commission was weak in its recommendations concerning territorial organization.<sup>31</sup> The Commission's proposals will be examined under three sub-headings: (1) counties; (2) villages; and (3) urban areas.

The Byrne Commission recommended the abolition of county governments, arguing that the reallocation of function between the municipal and provincial levels of government would not leave the counties with enough functions to justify their existence.<sup>32</sup> Moreover, the counties were seen as being essentially conservative and therefore not conducive to the changes considered necessary by the Commission. The abolition of county governments was thus not seen as reducing the responsiveness of government to the residents of the rural areas of New Brunswick.<sup>33</sup> The Commission, accepting Whalen's historical assessment of local government in New Brunswick,<sup>34</sup> which was prepared for the Commission, commented that even as matters then stood the counties had become mainly tax collecting agencies.

In part to compensate for the loss of county government, the Commission suggested that villages and local service districts be created. These local units, however,

FIGURE 3-1



were to have a more limited range of functions than the other municipal units, the towns and cities.<sup>35</sup> The proposed villages would be considered municipal units, and as such are substantially different from the concept of villages that the Graham Commission recommended. The proposed local service districts were to enable the many scattered settlements in rural areas to receive some local services from the provincial government, and just as importantly, to enable the provincial government to levy taxes on the rate-payers within those local service districts. In many other rural areas, the provincial government was to be responsible for the administration of many services normally considered local, without however any local participation or local taxation.

Invariably, a key aspect of any local government reform package is the issue of amalgamation and annexation, especially in the urban areas. On this point, the Commission was uncharacteristically timid. The Commission recognized that this was a very delicate question:

If there is a more thorny question matter in the entire field of municipal affairs than the amalgamation of independent cities or towns, we have yet to hear of it.<sup>37</sup>

On the other hand, it also recognized that "failure to integrate the development of contiguous urban areas inevitably results in fragmented, often chaotic and always costly consequences".<sup>37</sup> As a compromise, the Commission

recommended the joint provision of certain key services by the adjoining municipalities in a multi-municipal community.

In effect, the Commission was proposing a two-tier system of government for the urban areas of New Brunswick. Five services, namely water, fire protection, police protection, sanitary sewage disposal (excluding the local and branch sewerage), and community planning were to be administered and provided jointly by all municipalities in a contiguous urban area. The mechanism proposed for the administration of these joint services was the metropolitan council.<sup>38</sup> These councils would consist of members of the constituent municipalities and would have the power to levy a property tax to cover the costs of providing the joint services. These proposed metropolitan councils are similar to the Metropolitan Toronto system where the membership in the metropolitan council is also from the constituent municipalities.<sup>39</sup> Whereas the Toronto situation involves an area with a population of approximately two million, the urban areas of New Brunswick were all under one hundred thousand. Nevertheless, the Commission did not examine the costs of a two-tier versus a one-tier system of government. The Commission recognized that at some point metropolitan councils might not be appropriate.

Circumstances may arise, however, in which full amalgamations or annexation are in the common interest. Typically, the need for

amalgamation arises from the partisan view which the members of a metropolitan council sometimes take concerning matters affecting the entire community. When this occurs there may be no solution but to replace a federal with a unitary form of municipal government.<sup>40</sup>

Rather than proposing the reduction of municipal units in the urban areas, the Commission proposed to increase the number of municipal units in urban areas by the incorporation of villages.<sup>41</sup> Although the Byrne Commission did not specify which or how many areas should be incorporated as villages, it was obvious to the Commission that their proposals would increase the total number of municipal units in the province. For an indication of the territorial changes brought about by the Robichaud government as a result of the Byrne Commission, see Figure 4-1 and Table 4-1 in Chapter 4.

#### Territorial Organization (Graham)

In contrast to the Byrne Commission, the Graham Commission placed considerable emphasis on territorial organization and developed a detailed analysis to support its proposed new structure. From the outset, the Graham Commission realized that the existing pattern of territorial organization was inappropriate for the 1970s and that there were too many municipal units. Nova Scotia at that time

contained three cities, thirty-eight towns, and twenty-four rural municipalities for a total of sixty-five municipal units (See Figure 3-2). The Commission was thus faced with two major questions. First, what kind of local government was desirable for Nova Scotia? Secondly, what were the appropriate territorial and population dimensions for local government in Nova Scotia?

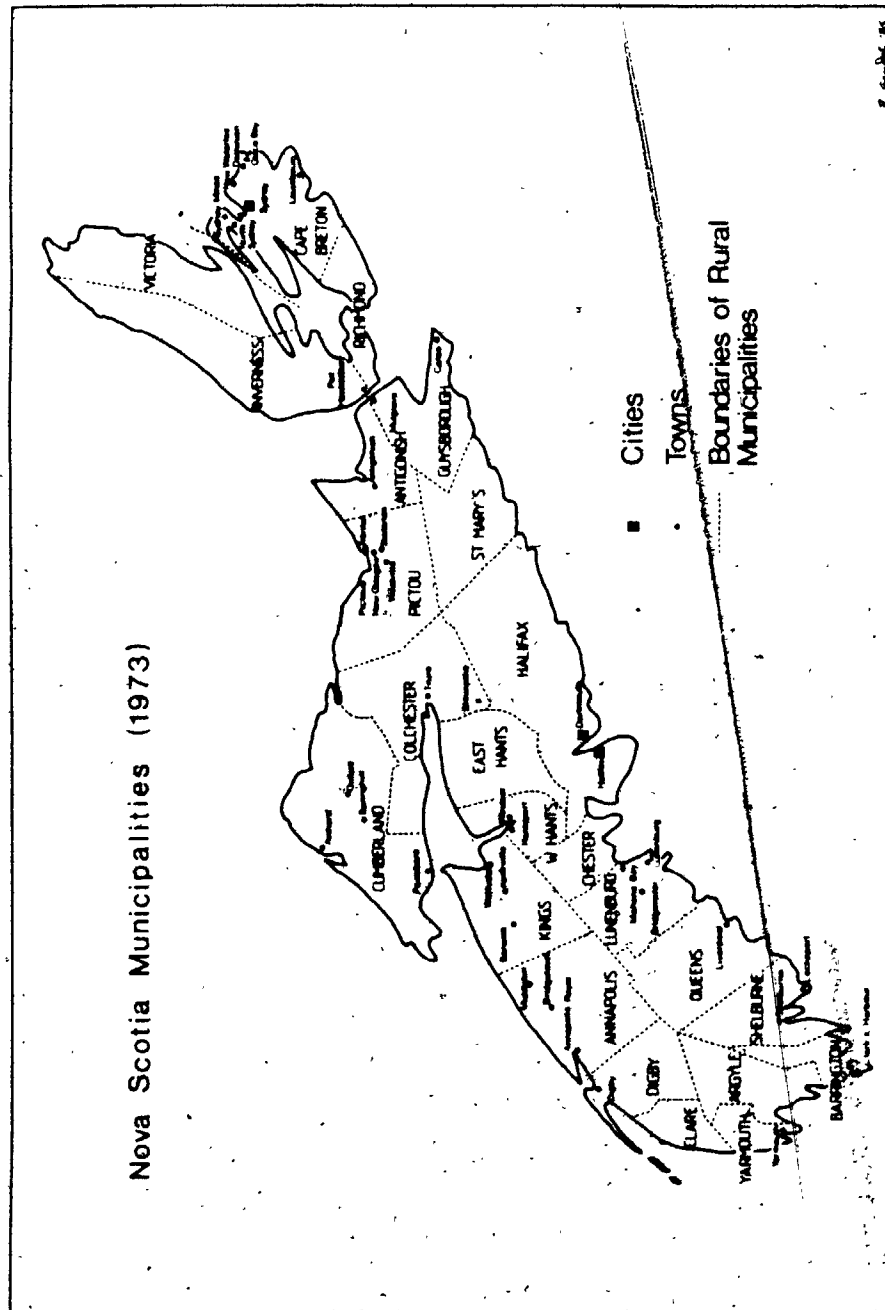
Before analyzing various alternative forms of local government, the Commission set out a number of principles to guide its recommendations. One of these was that "areas of municipal jurisdictions should take into account the interdependence of town and country."<sup>42</sup> This concept was being applied at about the same time in England and New Zealand.<sup>43</sup> Another key principle was that:

County governments should have a sufficient area and population to enable them to develop effective administrative, professional and technical capacity, and to allow them to locate their resources of staff and equipment in an efficient and economical manner. Preferably, county governments should serve a minimum population of about 60,000 in order to be able to operate effectively and economically. This figure is somewhat arbitrary, but is in our judgement a useful guide.<sup>44</sup>

The Commission, however, was not very rigid in applying this sixty thousand (60,000) figure, as evidenced by the fact that one of their proposed municipal units had less than twenty thousand (20,000) inhabitants.



FIGURE 3-2



The Commission considered the seven following alternatives:

- 1) Separate urban and rural governments
- 2) Two-tier metropolitan government
- 3) Two-tier regional government with lower-tier urban councils
- 4) Two-tier regional government with lower-tier urban and rural councils
- 5) City, town and village government
- 6) One-tier regional, or county, government
- 7) One-tier regional, or county, government and local community bodies.

The Commission accepted the seventh alternative, which is in effect a compromise between the need for a unified one-tier municipal government and the need for local citizen input and participation. The Commission recommended a municipal structure that integrated urban and rural areas and abolished 'as municipal units' all existing cities and towns. However, within the rural counties (as opposed to the metropolitan counties, with the exception of Louisbourg in Cape Breton), town and village councils would continue to exist as quasi-municipal bodies. These bodies, however, were to be subordinate to the county.<sup>45</sup>

These town and village councils would have the duty to communicate with the county council on matters that affected the town or village, and to communicate with citizens on those matters. Moreover, the county council could delegate certain administrative powers to the town and village councils, enabling them to provide some county services as well as other local services. In the case of

purely local services, the town and village councils would have the authority to tax town or village property owners. In addition to these town and village councils, community associations would be encouraged for smaller communities and in metropolitan counties as vehicles of communication with the county council.

The alternative of separate city, town and village governments, with unorganized rural areas, will be examined briefly. This was the option adopted in New Brunswick as part of the 'Program for Equal Opportunity'. Although this alternative was regarded as an improvement over the old county structure in New Brunswick, the Graham Commission found it unsuitable for Nova Scotia.

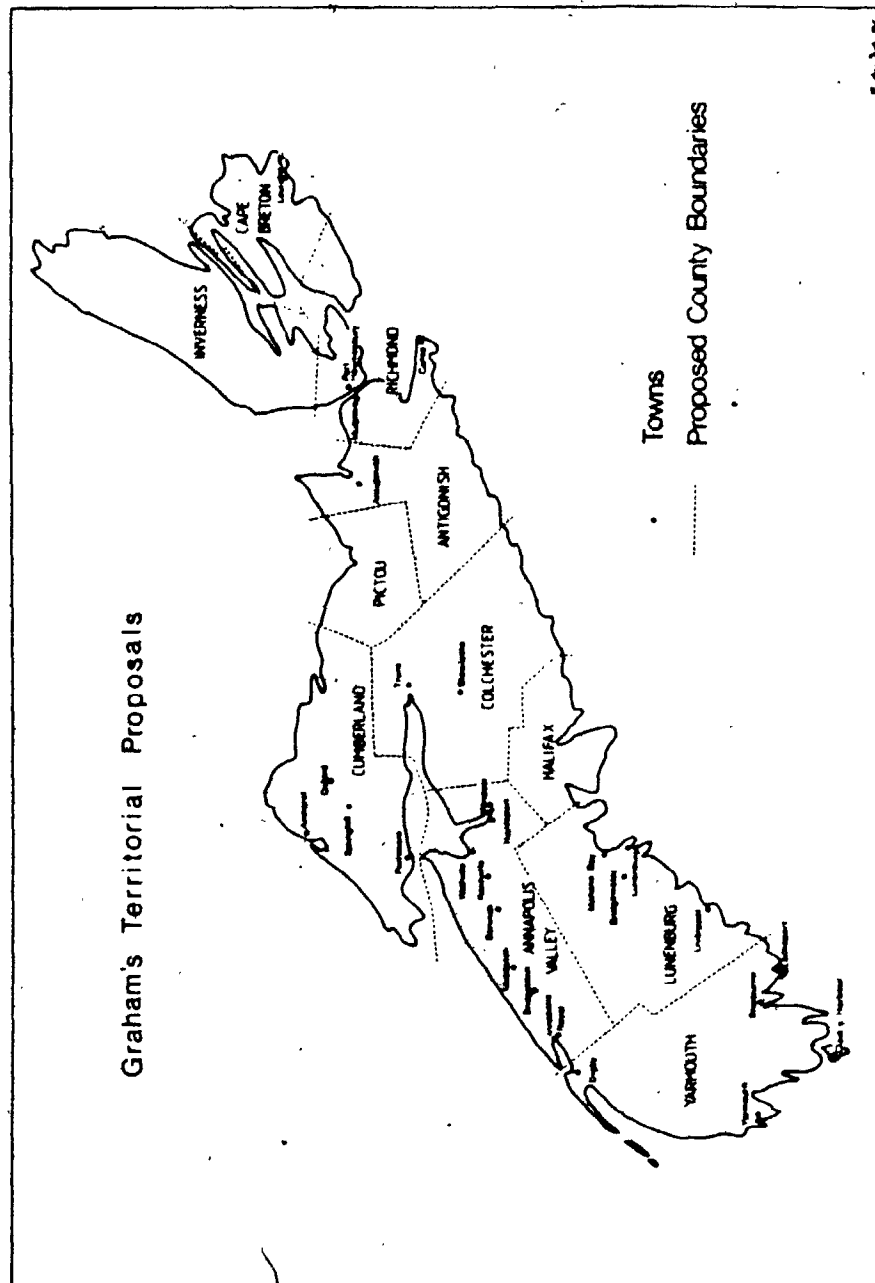
Notwithstanding the merits of the New Brunswick approach in the context of that province, we are of the opinion that it would not provide the best answer for Nova Scotia... The effective and economical provision of this wide range of local services, and of the planning function which draws them together as parts of a cohesive whole, demands a municipal capability of a high order.

We do not believe that this capability could be achieved in the rural areas of Nova Scotia were the twenty-four rural municipalities to be dissolved and their functions allocated to village councils... In particular, because the towns and villages would not have the resources, staff or geographic areas to plan effectively, the provincial government would have no choice but to perform the municipal planning function.<sup>46</sup>

The importance of the planning function as an explanation for the differences between the Byrne and Graham Commissions' recommendations regarding territorial organization is further strengthened by the fact that it was one of the key reasons for the attempt to re-establish local government in the rural areas of New Brunswick in 1976.<sup>47</sup>

The Commission suggested that each county should contain a minimum of sixty thousand (60,000) population unless other factors outweighed this consideration, factors such as community of interest and problems of communications.<sup>48</sup> The result was a proposal for the creation of eleven county governments which embraced the entire landmass of the province (see Figure 3-3). Pictou, Cape Breton and Halifax were to be considered metropolitan counties because they were more urbanized and would thus not have any town or village councils, with the exception of Louisbourg in Cape Breton. The other eight were to be considered rural municipalities and would have town and village councils. However, towns and villages would not have been 'municipalities' in the legal sense of the term and should appropriately be considered quasi-municipal units. Only the County of Inverness did not have any existing town within its boundaries, and therefore would not have had any town council within its borders on the date that the new structure was to

FIGURE 3-3



take effect, although town councils could have been developed later for the more densely populated areas of the County.

#### Financial Structure and Grants<sup>49</sup>

In terms of municipal finance, the Byrne and Graham Commissions have much in common. In both cases the cornerstone of the municipal financial structure was a system of unconditional equalization grants, although the equalization element was not novel in Nova Scotia. Even though general services were to be transferred to the provincial government, both the Byrne and Graham Commissions felt that the burden on local property taxes would nevertheless be excessive without provincial grants, especially in municipalities with a low per capita assessment. One reason for this is that the provinces were to assume part of the property taxation field in order to increase provincial revenues to meet the financial demands imposed by the proposed reforms. The Byrne Commission had proposed a provincial property tax of \$1.50 per \$100 of assessed property, in addition to a 2% increase in the retail sales tax and a new tax on automotive vehicles.<sup>50</sup> In Nova Scotia, the Graham Commission recommended that all non-residential property (except municipal property, churches, church halls and cemeteries) be taxed by the province although part of this was to be returned to

the municipalities as a provincial service grant of \$.25 per \$100 assessment of non-residential property.<sup>51</sup>

The proposed grant structure was less complicated in New Brunswick than in Nova Scotia, in large part because the latter municipal structure was to include municipalities with both rural and urban populations. The formula for the grant system in New Brunswick was based on John F. Graham's earlier study of Nova Scotia.<sup>52</sup> The unconditional grant was to consist of two elements:

- (1) a flat-rate grant to 'all' municipalities equal to 40 per cent of their 'standard' expenditure and
- (2) an equalization grant equal to the amount necessary to enable all municipalities in each group to provide for the balance of the standard expenditure (60 per cent) with a uniform tax burden.<sup>53</sup>

One of the reasons for the recommended 40% flat-rate grant was to ensure that municipal units could on the average keep their local tax rate at \$.50 per \$100 of assessment or lower. The Commission recommended that \$.50 be the maximum local rate, which, combined with the \$1.50 provincial property tax, would constitute a \$2.00 limit on property tax rates.

The primary objective of the Byrne Commission's recommendations on municipal finance was to assure that "each municipality should have access to sources of revenue which are sufficient for it to provide an adequate level of local services without having to impose an undue weight of

taxation".<sup>54</sup> This would be achieved by the unconditional equalization grant system which provided for larger grants to municipalities with low assessments per capita. According to the Commission, the proposed system would not only result in improved services in the poorer areas of the province, but would also reduce the range of local rates needed to support those services. Table 3-1 demonstrates the effect on real property taxation of the Byrne Commission's recommendations.

The mean tax rate on market value of real property would decline only marginally with the implementation of the Byrne Commission's recommendations. The largest decline is found in Group C (the less populated municipalities) which goes from 2.50 to 1.97, a decline of 21%. This marginal decline is consistent with the Commission's finding that the overall property tax burden in New Brunswick was acceptable. What the Commission had found unacceptable were the regional disparities and the wide range of tax rates necessary to finance local services. Table 3-1 shows that tax rates would be largely equalized as a result of the Commission's recommendations, with a dramatic reduction in the range of property tax rates (from 1.67 to .16 for Group A, from 2.85 to .62 for Group B, and from 3.50 to .67 for Group C). Moreover, the total property tax rate, including the provincial tax, would increase in eleven of the twenty-six towns



TABLE 3-1

COMPARISON OF ESTIMATED ACTUAL 1961 RATE<sup>a</sup> AND PROJECTED  
COMBINED LOCAL AND EDUCATION RATES<sup>b</sup>, % OF MARKET VALUE  
OF REAL PROPERTY

Municipality <sup>c</sup>	Estimated actual 1961 Rate on Market Value of Real Property %	Combined Local and Education Rate on Market Value of Real Property %
GROUP A		
Saint John	3.08	2.03
Moncton	1.41	1.98
Fredericton	1.73	2.14
Mean =	2.07	2.05
GROUP B		
Lancaster	1.99	1.80
Edmundston	2.02	2.06
Campbellton	4.06	1.70
Chatham	1.71	1.81
Bathurst	1.21	2.32
Dalhousie	1.84	1.83
Newcastle	1.65	1.83
Mean =	2.07	1.91
GROUP C		
Dieppe	2.77	1.97
Woodstock	2.20	2.28
Grand Falls	2.10	1.77
Sussex	2.04	1.70
St. Stephen	1.94	2.28
Marysville	2.21	1.66
Sackville	1.35	1.75
Shediac	4.85	1.83
Milltown	2.81	1.91
St. Leonard	3.16	1.96
Shippegan	1.86	1.79
St. Andrews	1.68	2.27
St. George	3.93	1.88
Hartland	2.35	2.37
Rothsay	2.20	2.13
Mean =	2.50	1.97

Source: Byrne Report, page 282.

(Table 3-1 Cont'd)

<sup>a</sup>Actual 1961 warrants based on estimated market value of real property. Actual 1961 rates were higher because of less than market value assessments.

<sup>b</sup>Rate that would be needed if the Byrne Commission's recommendations were in effect, including \$1.50 provincial property tax (education rate).

<sup>c</sup>Calculation of the unconditional grant required that "standard expenditure" be established. The Byrne Commission felt that the need for services depended in part on size of the population and therefore divided cities and towns into three classes (based on population) and calculated standard expenditure figures for each class.

and cities. Thus, although it could be argued that the entire province would benefit from the proposed reforms, it was obvious that some municipalities would either not benefit from reduced tax rates or would actually see those rates increase. The visibility of the costs and/or benefits of a policy is important for the categorization of policy in the Salisbury model. The data in Table 3-1 indicate that from the perspective of municipal finance, and in particular the equalization grant, the Byrne Commission's proposals can easily be perceived as redistributive.

Nova Scotia's proposed grant structure included two equalization grants; one for county-wide services and the other for area-rate services in city and town areas within the county. In keeping with the same rationale for the division of responsibilities between the provincial and municipal

level, local services were to be divided between those services that benefitted the entire county and those which benefitted only a particular area within the county, and were to be taxed accordingly. In addition, municipalities were to receive the provincial service grant of \$.25/\$100 assessment of non-residential property and a fuel tax grant equal in total to two cents per gallon on gasoline and diesel fuel. This fuel tax grant was to be distributed among counties in proportion to the number of vehicle registrations by residents and businesses in the city and town areas of each county to help defray the cost of roads in the more 'urban' areas. Roads in the rural portions of the counties were to be the responsibility of the province. Both the Graham and Byrne Commission proposed some conditional grants, primarily for infrastructure costs, but the emphasis in both cases was on unconditional and equalization grants.

The equalization grants proposed by the Graham Commission were designed to ensure that all counties could provide the same standard level of county services at the same tax rate, and that all counties could provide the same standard level of area services in towns and cities at the same tax rate. This would enable municipalities to provide adequate municipal services regardless of fiscal capacity. The grants would therefore have been of greater benefit to municipal units with lower than average per capita assess-

ment. The equalization element in the Graham Commission's proposed grant structure did not, however, constitute a major modification from existing practice. The Nova Scotia government already provided grants with substantial equalization for education since 1954 and for other municipal services as a result of the 1967 Municipal Services Act. The Graham Commission nevertheless considered the existing system deficient for a number of reasons; notably, the existing grants were generally conditional and failed to properly take into account both expenditure requirements and fiscal capacity.

Table 3-2 shows the property tax rates as well as the county and area tax per dwelling that would have resulted from the Graham Commission's recommendations, along with the actual 1971 tax per dwelling. In most cases the tax per dwelling would have been reduced substantially, although the tax rates do not appear equalized. The range in tax rates reflects the fact that the actual expenditures of municipal units did not always coincide with the standard expenditure used for calculating the equalization grant. According to the Graham Commission, municipalities which spent more than the standard expenditure for services should be solely responsible for financing those additional costs.

TABLE 3-2  
 COMBINED COUNTY AND AREA TAXES<sup>a</sup> AFTER EQUALIZATION  
 Based on 1971 Figures

Town or City <sup>b</sup>	Combined County and Area Rate	Combined County and Area Tax Per Dwelling	1971 Tax Per Dwelling
Annapolis Royal	\$1.50	\$120	\$197
Berwick	1.02	88	219
Bridgetown	1.14	106	182
Hantsport	1.78	136	180
Kentville	1.15	151	314
Middleton	1.00	91	246
Windsor	1.35	107	320
Wolfville	.60	68	310
Antigonish	.99	107	316
Cape Breton <sup>c</sup>	1.28	79	219
Louisbourg	1.27	59	156
Stewiacke	1.52	96	172
Truro	1.35	145	288
Amherst	.95	64	234
Oxford	1.42	62	226
Parrsboro	.84	37	137
Springhill	.81	33	163
Halifax <sup>d</sup>	1.69	267	396
Bridgewater	1.10	121	251
Liverpool	1.21	112	284
Lunenburg	1.63	168	317
Mahone Bay	.93	71	226
Pictou <sup>e</sup>	1.10	78	216
Canso	5.33	133	124
Mulgrave	2.40	107	189
Port Hawkesbury	2.40	270	284
Clark's Harbour	.65	30	211
Digby	.93	68	194
Lockeport	.75	34	173
Shelburne	.69	39	189
Yarmouth	.70	44	211

(Table 3-2 Cont'd)

Source: Graham Report, Vol. II, Chapter 24, 76.

a Local improvement charges not included.

b Data are only for town and city areas of the proposed counties. With the transfer of general services to the provincial level, the rural areas would not require many local services and would therefore have a low property tax rate. The projected tax rates for the counties (services to both the urban and rural areas) vary from .17 to .49; the projected tax per dwelling varies from 9 to 28 dollars.

c City service area, Metropolitan County of Cape Breton.

d City service area, Metropolitan County of Halifax. This County was excluded from the calculations of the equalization grant because of its "unique character... and the fact that per capita expenditures, and per capita expenditure requirements are considerably higher than in the rest of the province" (Report, Vol. II, Ch. 24, 66). To offset these higher expenditures, the Graham Commission proposed the doubling of the provincial service grant for the city service area of the Metropolitan County of Halifax.

e City service area, Metropolitan County of Pictou.

Table 3-3 presents data on assessment and expenditures for the town and city areas which indicate that the higher rates are found in municipalities which spent more than the standard expenditure whereas the lower rates are for municipalities which spent less than the standard expenditure.

Differences in assessment per capita, indicated by the proportion of actual to standard assessment, do not result in higher tax rates. In fact, the lowest rates belong to

TABLE 3-3

ASSESSMENT AND EXPENDITURES FOR TOWN OR CITY AREAS  
Based on 1971 Figures

Town or City	Actual Assessment	Standard Assessment	Actual Expenditure	Standard Expenditure
Annapolis Royal	\$2,226,300	\$2,940,115	\$34,200	\$26,750
Berwick	4,373,000	5,476,837	41,400	49,829
Bridgetown	3,594,200	4,030,052	35,800	36,666
Hantsport	3,326,100	5,612,595	71,200	51,065
Kentville	21,866,300	20,161,898	193,700	183,437
Middleton	6,094,400	7,253,319	54,200	65,992
Windsor	9,362,400	14,642,395	150,100	133,220
Wolfville	13,711,900	11,097,190	46,500	100,965
Antigonish	14,102,900	21,290,623	154,200	193,707
Cape Breton <sup>a</sup>	130,052,400	332,500,658	2,687,600	3,025,165
Louisbourg	1,930,500	6,136,230	49,200	55,829
Stewiacke	1,935,900	4,033,931	43,400	36,702
Truro	44,075,200	50,606,443	538,400	460,429
Amherst	20,029,100	38,655,921	259,400	351,700
Oxford	1,991,700	5,713,443	56,500	51,982
Parrsboro	2,609,500	7,008,955	38,900	63,769
Springhill	6,378,900	20,410,140	108,500	185,696
Bridgewater	18,140,100	20,289,898	188,600	184,602
Liverpool	9,850,200	14,173,062	141,600	128,950
Lunenburg	11,147,800	12,470,278	174,800	113,457
Mahone Bay	2,929,100	5,170,414	39,100	47,042
Pictou <sup>b</sup>	58,325,500	107,384,024	858,000	977,004
Canso	661,500	4,698,445	68,700	42,661
Mulgrave	1,177,600	4,639,021	53,900	42,207
Port Hawkesbury	9,648,300	13,074,296	215,500	118,998
Clark's Harbour	1,502,900	4,196,840	18,700	38,184
Digby	5,681,400	9,165,557	66,800	83,390
Lockeport	1,554,900	4,685,566	25,600	42,630
Shelburne	4,288,700	10,430,039	51,400	94,895
Yarmouth	16,169,000	33,061,690	164,600	300,503
TOTAL	424,802,000	...	6,630,500	...

Source: Graham Report, Vol. 4, Ch. 24, 72-73.

<sup>a</sup> City service area, Metropolitan County of Cape Breton.

<sup>b</sup> City service area, Metropolitan County of Pictou.

municipalities such as Shelburne, Yarmouth and Clark's Harbour which have low assessments per capita.

One final element that needs to be highlighted is the Byrne Commission's controversial proposal to do away with tax exemptions that were then held by some large industrial enterprises, notably the ones owned by New Brunswick's leading industrialist, K.C. Irving. The large companies could 'play' one municipality against another, thereby forcing them to bid in terms of reduced taxation for that industry. The Commission was firm in its opposition to these concessions. Not only were tax concessions to be prohibited in the future, but existing ones were to be cancelled without payment of any compensation. This led K.C. Irving to oppose vehemently both the proposed reforms and Robichaud himself. During the 1960 election, K.C. Irving had been one of Robichaud's supporters.<sup>55</sup> The Graham Commission also proposed that no further tax concessions be granted to industry and that all existing concessions be phased out over five years.<sup>56</sup> This proposal, however, did not provoke much opposition in Nova Scotia.

### Conclusion

The Byrne and Graham Commissions were comprehensive in scope and dealt with all facets of municipal government



throughout the entire province. Having a mandate to remedy what they considered to be the ills being faced by their respective municipal systems, they each brought in a reform plan which they regarded as a 'package deal'. The Byrne and Graham Commissions argued that the major elements of the reform program had to be implemented as a package so as not to destroy the essence of the proposals. However, this idea was quickly rejected in both cases.

The Byrne and Graham Commissions' proposals concerning municipal finance and allocation of services are relatively similar. However, the Commissions differ substantially in relation to the territorial organization of municipal government. The modifications proposed by the Byrne Commission (abolition of counties and the creation of villages) stem from the anticipated consequences of other recommendations; namely, the proposed reallocation of functions. The abolition of counties was thus not justified or argued on the merits of any particular spatial structure as was the case with the Graham Commission's proposals on territorial organization. The Graham Commission's recommendations for territorial reorganization were justified and argued on the grounds of optimum size of municipal units and service efficiency. Although the Graham Commission had described the entire Report as a package deal, it can be suggested that the proposals for territorial reorganization

could stand on their own and that this reorganization becomes even more important in the absence of any transfer of functions to the province.

The Byrne Commission's lack of emphasis on territorial organization can be explained in part by the degree of importance attributed to the planning function in local government. Planning was not perceived by the Byrne Commission to be a major element in the organization of local government, except in the urban areas. The Graham Commission, however, considered planning a major municipal function both in the rural and urban areas of the province and proposed municipal units deemed appropriate for that planning function.

Before analyzing the reaction of the governments to the Commissions, one important point needs restating. The Byrne Commission, concerned with substantial regional disparities within the province and conscious of the need to attract industry, argued in terms of modernization and development. The objective was not necessarily to remodel a municipal system, but to reform or change the entire socio-economic structure of the province. The Graham Commission, on the other hand, less concerned with regional disparities within the province, argued that its proposals would rationalize municipal government in Nova Scotia as well as simplify provincial-municipal relations. Although the outcome of that

reform may well have been much broader in scope than the 'rationalization' of the municipal system, it was nevertheless presented and supported on those grounds.

## FOOTNOTES

1. New Brunswick, Royal Commission on the Financing of Schools in New Brunswick, Report (1955).
2. New Brunswick, Royal Commission on the Rates and Taxes Act, Report (1951).
3. See J.E. Belliveau, Little Louis and the Giant K.C., (Hansport, N.S.: Lancelot, 1980).
4. See Peter Leslie, "The Role of Political Parties in Promoting the Interests of Ethnic Minorities", Canadian Journal of Political Science, 2 (1969), 419-433.
5. Cyr, "Le programme 'chance égale pour tous'", 6 (footnote 1).
6. Beck, The Evolution of Municipal Government, 50.
7. New Brunswick, Royal Commission on Finance and Municipal Taxation, Report (1963) (hereinafter referred to as the Byrne Report), 3.
8. Krueger, "Provincial-Municipal Revolution".
9. See Ruff, "Administrative Reform and Development" and Cyr, "Le programme 'chance égale pour tous'".
10. Byrne Report, 37.
11. Ibid., 38.
12. Graham Report, Vol. II, Ch. 2, 79-80.
13. See Lawrence Sanford. "The Restructuring of Local Government as an Aid to Economic Development in Nova Scotia" (Study done for the Programme Development Agency, Nova Scotia, 1968).
14. Byrne Report, 8.
15. See Ruff, "Administrative Reform and Development" and Cyr "Le programme 'chance égale pour tous'". The disparities were well-known and obvious to observers of the socio-economic situation in New Brunswick.
16. Byrne Report, 70.
17. Ibid., 113.
18. Ibid., 114.

19. Ibid., 116.
20. Ibid..
21. Ibid., 116-117.
22. Ibid., 324.
23. John Graham, Fiscal Adjustment and Economic Development, 1-3.
24. Graham Report, Vol. II, Ch. 2, 79-80.
25. Ibid., 22-25.
26. Ibid., 64-65.
27. Ibid., 65.
28. See Chapters 30 through 34 of the Graham Report for the analysis and recommendations pertaining to provincial administration.
29. For the report on Boudreau's mission to Sweden, see Appendix H of the Byrne Report.
30. Byrne Report, 116.
31. For example, see T.J. Plunkett, "Report of the Royal Commission on Finance and Municipal Taxation in New Brunswick: A Review and Commentary", Canadian Public Administration, VIII (March, 1965), 12-23.
32. Byrne Report, 170.
33. New Brunswick, Task Force on Non-Incorporated Areas in New Brunswick, Report (1976). For an analysis of the Report, see Harley d'Entremont and Patrick Robardet, "More reform in New Brunswick: rural municipalities?", Canadian Public Administration, 22, No. 1 (1977), 469-480.
34. Whalen, Development of Local Government.
35. Byrne Report, 170.
36. Ibid., 188.
37. Ibid..
38. Ibid., 188-189.

39. For an analysis of Metro Toronto, see Harold Kaplan, Urban Political System: A Functional Analysis of Metro Toronto (New York: Columbia University Press, 1967) and Albert Rose, Governing Metropolitan Toronto: A Social and Political Analysis, 1953-1971 (Berkeley, Calif.: University of California Press, 1972).
40. Byrne Report, 189.
41. For example, villages were incorporated in the Moncton and Fredericton areas, thereby increasing the number of municipal units in those areas.
42. Graham Report, Vol. II, Ch. 5, 19.
43. For New Zealand, see Graham Bush, "Local Government reorganization: a study of three town-country amalgamations", Political Science, 31, No. 1 (July 1979), 18-38. For England, see Peter G. Richards, The Reformed Local Government System, Revised 2nd ed. (London: George Allen & Unwin, 1975).
44. Graham Report, Vol. II, Ch. 5, 19.
45. Ibid., 85-86.
46. Ibid., 77-78.
47. See Fn. 33.
48. See Graham Report, Vol. II, Ch. 5, especially 100-101.
49. John Graham played an instrumental role in designing the grant structures for both the Graham and Byrne Commissions. Graham's key role with the Byrne Commission was explicitly recognized by the Minister of Municipal Affairs when he quoted at length in the Legislative Assembly from Graham's published works. In addition, a copy of his thesis was found in the Public Archives of New Brunswick as part of the Byrne Records. For an elaboration of his ideas on the subject, see Graham, Fiscal Adjustment and Economic Development.
50. Byrne Report, Ch. XV.
51. See Graham Report, Chs. 12, 13, 23, 24.
52. Graham, Fiscal Adjustment.
53. Byrne Report, 277-278.
54. Ibid., 263.

55. For further elaboration on this point, see Belliveau, Little Louis and Giant K.C. and Cyr, "Le programme 'chance égale pour tous'". See also Russell Hunt and Robert Campbell, K.C. Irving: The Art of the Industrialist (Toronto: McClelland and Stewart, 1973). Hunt and Campbell clearly indicate that Irving supported Robichaud in the 1960 election as shown by the following passage (p. 123):

It was even clearer during the provincial election of 1960, when Irving pulled his support away from the Flemming government and threw it to the young Robichaud, who unashamedly worshipped Irving, who shared his Kent County background, who had grown up surrounded by the Irving success story. Whether Irving's influence on that election was actually decisive will probably never be known, but Arthur Irving, at any rate, counted it as a victory for his father. In any case, Irving's newspapers were indeed surprisingly cordial toward the young Liberal leader, whose campaign was unusually well-organized and well-financed.

56. Graham Report, Vol. II, Ch. 23.

## Chapter 4

### POLICY IMPACT OF THE COMMISSIONS

This chapter deals with the policy impacts of the Byrne and Graham Commission; that is, their respective impact on public policy in New Brunswick and Nova Scotia. After presentation of the data for both cases, beginning with the New Brunswick experience, the policy impacts will be analyzed and assessed in terms of the typology of public policies presented in the introduction. It will be recalled that the Salisbury model called for four possible policy types; namely, distributive, redistributive, regulatory and self-regulatory.

#### The New Brunswick Experience

The Robichaud government's reaction to the Byrne Commission was highly supportive, even though the report's proposals were controversial. Though some parts of the 'package' were rejected, the government left little doubt that it would accept the essence of the report and that it would move quickly to the implementation stage. In the White Paper on the Responsibilities of Government, presented to the Legislative Assembly on March 4, 1965, a little more than a year after the Report of the Commission was made public, the



government declared that the main principle of the Byrne Commission was acceptable.

The principle calls for an acceptance of minimum standards of service and opportunity for all citizens regardless of the financial resources of the locality in which they live... The government of New Brunswick is prepared to accept this principle.<sup>1</sup>

Although the details of the Robichaud government's plan of reform were not made public until the fall of 1965, the thrust of the White Paper on the Responsibilities of Government clearly suggests redistributive policy.

The aims and objectives of the 'Program for Equal Opportunity' were quite broad. One Minister summed it up as follows:

... the program for equal opportunity is primarily designed to develop our human resources, in the past too often the most neglected resources in New Brunswick. Our aim is to strengthen the social and economic fabric of our province, and to develop our human resources to their fullest potential...

Our aim is to modernize New Brunswick. We also want to modernize some institutions of government that once served us well, but which cannot now effectively cope with modern democratic conditions and social needs.<sup>2</sup>

It is apparent from the above statement that the reforms proposed went far beyond the issue of municipal restructuring, although the latter was nevertheless an important aspect of those changes.

One of the first actions of the New Brunswick government in relation to the Byrne Commission was to undertake modifications of both the political and administrative structures in New Brunswick. In 1965, a Law Amendments Committee of the Legislative Assembly was created to enable citizens and groups to present views on proposed legislation. With this mechanism in place, the Government presented a series of Bills in 1965. With the exception of the Assessment Act, these bills were later withdrawn and eventually replaced by another series of Bills which took into account some of the views expressed before the Committee. The other major structural change was the creation of the Office of Government Organization (OGO), which was staffed by civil servants and whose mission was the coordination of governmental activities pertaining to the 'Program for Equal Opportunity'. The importance of these organizational factors will be discussed later.

#### Responsibility for Services (New Brunswick)

The Robichaud government in March 1965 announced its intention to assume full responsibility for acceptable minimum standards for general services; that is, education, health, welfare, and the administration of justice. In its

White Paper on the Responsibilities of Government, the

Robichaud government declared:

We are prepared to accept, from this point on, the full responsibility for acceptable minimum standards of education, health, welfare, and justice for all New Brunswickers. The Byrne Report provides one path towards the implementation of that responsibility. We are not yet satisfied that it is the only path.<sup>3</sup>

Thus, although the principle of acceptable minimum standards for general services was accepted by March 1965, details of how this would be achieved were yet to be fully determined.

The government eventually proposed legislation that transferred the responsibility for general services, as well as assessment and tax collection, to the provincial level of government.

The first major Act passed by the Assembly dealing with the Byrne proposals was Bill No. 118, the Assessment Act, presented in 1965. This Bill, which set the stage for much of the debate that occurred over the 'Program for Equal Opportunity', transferred the responsibility for assessment to the provincial government and established the parameters for a system of equalized province-wide assessment. As an example of the ferocity of the debate, the mayor of Moncton, Leonard Jones, who later became the controversial Member of Parliament, wanted the Province to pay the municipality for the assessment records it would have to turn over to the Provincial government and threatened to have the records

guarded by the municipal police. Although Jones was not typical of the reactions to the Assessment Act or to the 'Program for Equal Opportunity' in general, his stand on the Assessment Act serves to underline the emotional pitch of part of the debate.<sup>4</sup>

Another key Bill that created a great deal of controversy was Bill No. 137 (Schools Act), presented in November 1965, and later revised and reintroduced as Bill No. 22 on April 19, 1966. The major element in this Bill was the transfer of responsibility for all aspects of education, administration and finance, to the provincial level of government and the reduction of school boards from 422 to 34. While municipal involvement in education would cease, 'local' involvement would not, as local school boards were to remain an essential element in the administration of the educational system. The nature of the powers of those school boards was the subject of criticism by various groups, which resulted in a revised version of the Schools Act (Bill No. 22) which clarified and strengthened the role of the school boards in comparison to the original Bill. In presenting Bill No. 22 to the House, the Minister declared:

The bill seeks to provide the basis for a partnership between the Department of Education and the local school board. This should be a relationship where each would have its major area of responsibility, but would listen with respect to the opinion of the other regarding the whole subject...

The Schools Act, while considerably modified, is mainly changed in its effort to remove any suggestion of undue ministerial discretion.<sup>5</sup>

The government, however, refused to modify the section of the Schools Act that dealt with teachers' salaries. The government's proposals concerning salaries created a serious division in the New Brunswick Teachers Association along linguistic lines (see Chapter 5). The two main options open to the government were: (1) a minimum salary scale or (2) a uniform salary scale for all teachers in the province. Both Bill 137 and Bill 22 proposed the second alternative.

The major legislative enactments in the field of health were Bill No. 76 (Public Hospitals Act) and Bill No. 75 (Health Act) passed in 1966. The Provincial government assumed all responsibilities formerly held by the municipalities in this field and assumed "full responsibility for approved expenditures in relation to capital cost of future construction and operational expenditures, including outstanding indebtedness for past construction".<sup>6</sup> On the issue of ownership of hospitals, the government rejected the Byrne Commission's recommendation that it (the Provincial government) should assume ownership of all hospitals in the Province.

The transfer of the administration of justice and welfare to the provincial government did not occasion much

debate. The key bills dealing with those services submitted in 1966 were the following:

Bill No. 5 : An Act to Amend the Jury Act

Bill No. 6 : Sheriffs Act

Bill No. 7 : Crown Prosecutors Act

Bill No. 8 : Corrections Act

Bill No. 67 : Social Welfare Act

Bill No. 68 : Child Welfare Act

Bill No. 69 : An Act to Amend the Auxiliary Homes  
Act

In total, the Program for Equal Opportunity required well over 100 pieces of legislation.

One of the Robichaud government's major deviations from the Byrne Commission's proposals was the rejection of the concept of administrative commissions. The Royal Commission had argued that these Swedish-style commissions were necessary to reduce the possibility of political interference, notably patronage, and to ensure a high standard of administration in the fields of education, health, welfare, and municipal affairs. Arguing that these commissions were incompatible with the concepts of Cabinet government and accountability, the government proposed that the administration of these general services be carried out within the existing departmental structures. Moreover, the government assumed that the same personnel would be responsible for

administering those general services regardless of whether or not it was a departmental or commission structure.<sup>7</sup>

#### Territorial Organization (New Brunswick)

The key legislative enactment regarding territorial organization was the Municipalities Act, introduced as Bill No. 116 on November 19, 1965 and reintroduced, albeit in a modified form, as Bill No. 21 on April 14, 1966. After substantial debate and criticism, especially on the part of county councillors, this Bill was passed on June 14, 1966.

As proposed by the Byrne Commission, rural local government in the form of county government was abolished. Having transferred the responsibility for general services to the provincial government, the Robichaud government concluded, as Whalen had done earlier, that there were no useful functions to be performed by county governments. During the discussion on the Municipalities Act, Norbert Thériault, Minister of Municipal Affairs, declared to the House:

The assumption by the province of the full responsibilities and costs for education, health, welfare and justice leave virtually no functions to be performed by county councils... Our counties have become mainly tax collecting agencies.<sup>8</sup>

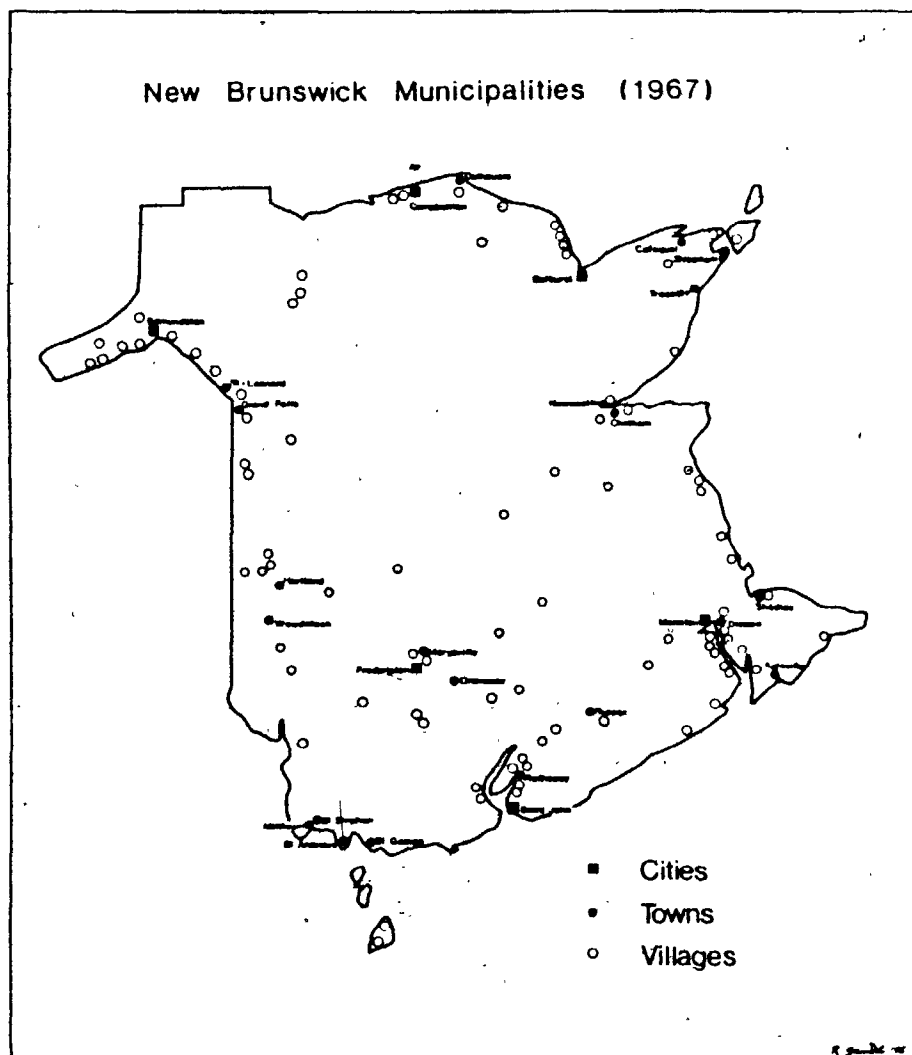
To compensate for the loss of county councils and to enable local services to be offered in what would otherwise be

unorganized territory, the Municipalities Act proposed the creation of villages and local service districts.

The Municipalities Act proposed three types of municipal incorporations: cities, towns and villages. All three forms of municipal governments existed prior to the Robichaud reforms, although there was only one village, Port Elgin. The immediate result of the new Act was the creation of some eighty or so new villages. (See Figure 4-1). While cities and towns were to be distinguished only by their size (a minimum of 10,000 population for a city and a 1,000 minimum for a town), villages would have slightly fewer responsibilities than both cities and towns. Villages would be full-fledged municipalities except that they would not be responsible for the provision of roads, streets and community planning which would be assumed by the provincial government. In addition to municipal units, the Act allowed for the creation of local service districts which would enable citizens of a non-incorporated area to receive certain local services from the provincial government and to be taxed accordingly. The result of these structural changes was to leave about 250,000 citizens of the province without any form of local government except for quasi-municipal units such as local service districts.<sup>9</sup> The number of municipal units in New Brunswick has not remained constant since 1967. Incorporations and amalgamations have occurred frequently; as a



FIGURE 4-1



result, there are now well over 100 municipalities in the province. Table 4-1 shows the variation in the number of municipal units from 1964-1974.

There were many differences made between the legislation introduced in the fall of 1965 (Bill No. 116) and that proposed in the spring of 1966 (Bill No. 21), although the basic thrust remained the same. One of the major changes was the inclusion of a general "peace, order, and good government" clause in addition to the list of specific powers, thereby allowing more latitude in the interpretation of municipal powers. Other changes dealt with financial and budgetary matters, including an increase in the limit on the amount of annual borrowing for capital purposes. Most changes could, however, be considered of a technical or administrative nature. Thus, Bill No. 21 retained the major elements proposed earlier in Bill No. 116.

One of the least 'revolutionary' aspects of the Robichaud reforms was the rationalization of municipal boundaries. Krueger states:

It seems surprising that a government which was so bold in revolutionizing the structure and responsibilities of local government, has been so timid in rationalizing municipal boundaries.<sup>10</sup>

He points out, however, that the Byrne Commission itself did not recommend any forced amalgamations except for the Saint John area. This he attributes to the Commission's belief

TABLE 4-1  
NUMBER OF MUNICIPAL UNITS, NEW BRUNSWICK (1964-1974)

<u>Year</u>	<u>Cities</u>	<u>Towns</u>	<u>Villages</u>	<u>Counties</u>	<u>Total</u>
1964	6	21	1	15	43
1965	6	21	1	15	43
1966	7	20	1	15	43
1967	6	21	78	0	105
1968	6	21	92	0	119
1969	6	21	92	0	119
1970	6	21	93	0	120
1971	6	21	94	0	121
1972	6	21	94	0	121
1973	6	21	96	0	123
1974	6	21	85	0	111

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Source: New Brunswick, Department of Municipal Affairs,  
Annual Report of Municipal Statistics, 1964-1974.

that the removal of the responsibility for general services from municipalities and the introduction of an unconditional grant system would eliminate most causes of intermunicipal difficulties. While not recommending amalgamation in the urban areas, the Byrne Commission had nevertheless recognized the problems inherent in multi-municipal urban areas and had recommended as an alternative to amalgamation that five key services be administered on a mandatory joint basis, in effect a two-tier structure. Except for the Saint John area, the government rejected not only amalgamation but also the alternative proposed by the Byrne Commission.

What exactly was the position of the government in relation to the situation in the urban areas? Premier Robichaud, addressing the Assembly on November 16, 1965, stated:

The Royal Commission recommended a complicated system of metropolitan councils and plebiscites to effect unified local government. This government does not think this is workable or efficient, given the size of our communities. It would create vast confusion among our local government institutions with no positive gains in either representation of individual interest or efficiency in the provisions of government. Since the obvious need is for a more unified community, the legislation will provide for a redefinition of community boundaries by the Lieutenant-Governor in Council upon the recommendation of the Minister of Municipal Affairs.<sup>11</sup>

The Premier indicated that the creation of larger, more logical and efficient units of local government would be undertaken and that new boundaries would include the entire population of the logical geographical area. To this end, he hoped:

...that the present city and town councils would immediately enter into new discussions in a spirit of good will to make the creation of new municipal units a successful step towards better government for the people.<sup>12</sup>

It could be argued that these statements by the Premier were good examples of 'policy statements' as defined by Anderson<sup>13</sup> that would not lead to any substantive output, and which had importance only in terms of symbolism. However, the events that followed indicate the opposite. Not satisfied with the speed of voluntary amalgamations, the Liberal government of Louis J. Robichaud instituted two Royal Commissions in 1970 to investigate the possibility of amalgamation in both the Moncton and Fredericton areas.<sup>14</sup>

Both Commissions were comprised of only one member, Carl Goldenberg, who had earlier (1963) recommended amalgamation in the Saint John area. The choice of Goldenberg as Commissioner, whose general ideas and attitudes towards municipal restructuring in urban areas should have been known because of his earlier Saint John study, indicated that the government was serious in its desire for a 'rationalization' of municipal boundaries in the urban areas. The result of

these Commissions was the amalgamation of the Fredericton area and the partial amalgamation in the Moncton area (from eight municipalities to three). Amalgamation was also accomplished in the St. Stephen-Milltown area. The amalgamations were carried out by the Progressive Conservative government of Richard Hatfield, which had replaced the government of Louis J. Robichaud in the 1970 general elections.

The reasons for not proceeding with amalgamations in 1967 are twofold. First, the government felt it was already receiving enough criticism of its reform program without inviting more by the forced amalgamation of some urban areas. Secondly, linguistic considerations precluded the amalgamation of the Moncton area and it was not considered advisable to amalgamate the Fredericton area without also amalgamating the Moncton area.<sup>15</sup> Due to his outspoken views on bilingualism and language rights, the mayor of Moncton, Leonard Jones, was not well received by the francophone population of the area. Three of the eight municipalities in the area were predominantly francophone.<sup>16</sup>

#### Financial Structure (New Brunswick)

As in the other segments of the Robichaud reform program, there were many Bills on provincial-municipal financial relations, and on the tax structure of the province.

Three of the most important in this area were the Assessment Act (Bill No. 118), the Municipal Assistance Act (Bill No. 150) and the Real Property Tax Act (Bill No. 164).

The first major element in the government's reform package, the Assessment Act, passed on February 22, 1966, was the topic of a heated debate, both inside and outside the Assembly. In order to implement the major financial elements of the 'Program for Equal Opportunity', the government decided it first needed a complete uniform assessment of the entire province. The Assessment Act thus became the most pressing legislative enactment and was seen as the first battle in the fight about the proposed changes. The intensity of this battle is easily seen by the debates in the Assembly and by the 30,000 name petition, which will be discussed at greater length in the following chapter. For the purposes of this chapter, it suffices to quote one passage from the debate on the day the Act passed third reading.

Bill 118 is the first step towards the final abolition of local government. It is also the first step to setting up a giant political patronage machine unheard of in any other free country in the world.<sup>17</sup>

The strong criticism and opposition to the Assessment Act was not due solely to its content. It constituted the first major Act to be passed by the Assembly as part of the reform package. This is not to suggest that the opposition by the

Progressive Conservative Party was not genuine, only that the Assessment Act was particularly attacked because it was the first step in the implementation of the proposed reforms.

In addition to transferring the responsibility for assessment to the provincial government, the Act introduced the concept of a uniform province-wide assessment, which was the main argument for the provincial takeover of this function. With uniform province-wide assessments in place, the Province could introduce a provincial property tax of \$1.50/\$100.00 of assessment, applicable to all residential and business property in the province, to defray in part the cost of the general services being assumed by the provincial government. In order to increase provincial revenues, the sales tax was also increased from three to six percent.

The legislation also dealt with tax concessions to industry, in particular large industrial concerns such as the Irving Empire. Premier Robichaud, in an address to the Legislature, stated that:

No tax concessions will be allowed in the future. Those firms and individuals presently holding tax concessions will be treated fair and equitably. Due to the complexity of concessions presently in effect and the intricate changes proposed in taxation, no single or simple procedure for their disposition is possible. Negotiations will be entered into with all affected



parties towards achieving a fair and equitable solution.<sup>18</sup>

This statement by Premier Robichaud seemed to imply that existing tax concessions would be terminated and that compensation might or might not be paid, depending on the outcome of negotiations. The government eventually agreed that existing tax concessions would be honored but that no new concessions would be entered into.<sup>19</sup>

The authority for the setting of tax rates and the collection thereof was set out in the Real Property Tax Act (Bill No. 164). This Act covered all forms of property taxes, the provincial and municipal real property and business taxes as well as the supplementary school tax and local service district rate. These last two were optional and could be imposed at the request of the citizens of the area concerned.

Bill No. 164 did not make provincial collection of municipal taxes mandatory. After being criticized on the grounds of centralization because of its policy of provincial collection of taxes, the government made it optional.<sup>20</sup>

The choice may have belonged to the municipalities but the options were 'loaded'. If a municipality opted for provincial tax collection, it was guaranteed 100% of the levy at no cost. If it chose to collect its own taxes, it would have to pay for tax collection, including the cost of tax arrears. Save for Oromocto, which is in a special position given its

relationship to the Federal Government, no municipality opted for collecting its own levy.

The provincial government also decided to drop an earlier proposal for establishing a maximum local property tax rate. Following the Byrne Commission's advice, the government had proposed a maximum local tax of \$.50/\$100.00 assessment. After repeated criticism on the part of local authorities, the government decided not to impose such a maximum local rate. This went part way in satisfying some demands for more local autonomy and less rigid provincial controls on municipalities. The obvious result was that the wealthier municipalities would be in a position to offer more local services than the poorer ones.

The major element of the new financial structure was undoubtedly the grant system introduced in Bill No. 150 (Municipal Assistance Act). The new grant structure contained both unconditional and equalization elements, although it also had provisions for a 40% minimum and a 70% maximum for cities and towns, with villages receiving a 45% flat rate. According to the Minister of Municipal Affairs, this was to satisfy two main conditions; one of strengthening the financial position of the municipalities, the other being the minimal interference in the local decision-making process.<sup>21</sup> Provincial discretion in the allocation of this grant was non-existent with regards to any particular

municipality, as the only determining factors were population, tax base and expenditure level. Although modified from time to time, notably as it applies to villages, the basic thrust of Bill No. 150 has remained intact since.

### The Nova Scotia Experience

Not unlike the situation in New Brunswick, the Liberal government of Gerald Regan in Nova Scotia was very cautious in its first pronouncements on the Graham Report. Unsure of how to respond, the government created two committees to study the Report's recommendations; a Cabinet committee and a House committee. Seven months after the Report was received, the government declared in the Speech from the Throne that the Report was still under study.

According to the Speech from the Throne:

The Graham Report had become the subject of intensive study both in and out of government. The Select Committee of the House was already holding public hearings to elicit the views of interested people and organizations. Moreover, the Cabinet Committee established to undertake an internal review of the Report had met many times and had received assessments from every department and agency whose activities would be affected by the recommendations.<sup>22</sup>

Although the Speech from the Throne states the contrary, the Cabinet Committee on the Graham Report did not meet very often, and undertook little analysis of the Report.<sup>23</sup>

Aside from some policy initiatives on assessment and finance, discussed later in this chapter, the government of Gerald Regan had not yet committed itself to implementing much of the Graham Report by June 1975. It was becoming clear, however, that major portions of the Report would not be implemented. In an address to the House on June 11, 1975, the Premier indicated that although the Graham Commission had done a "great job", some recommendations were unacceptable.<sup>24</sup> The Minister of Municipal Affairs, J. Fraser Mooney, had told the House earlier that same day that the Graham Report would not be accepted in total, "but rather it will be used as a useful guide in the developing of policies of municipal reform".<sup>25</sup>

The Speech from the Throne in February 1976 did not make any mention of the Graham Commission; it did, however, restate the Liberal government's intention to relieve the burden of residential property taxes.<sup>26</sup> Because of difficulties encountered by the government with respect to the implementation of certain finance-related reforms, by the spring of 1976 the government had embarked on a series of consultations with the Union of Nova Scotia Municipalities. On April 1, 1976, the day proposed by the Graham Commission

for the implementation of its proposals, the Minister of Municipal Affairs, Glen Bagnell, announced the creation of a joint committee with the Union of Nova Scotia Municipalities. The committee's mandate was the long term planning of municipal reform for the province. Although the Graham Report was not rejected by the government, it had by this time only the status of a 'working document'. Bagnell's announcement of the joint committee stated that discussions would be held "just between the Union and ourselves, without consultants, using the Graham Commission as perhaps one of the most important documents in the discussion".<sup>27</sup> Thus, on the Graham Commission's 'Appointed Day' for the implementation of municipal reform, its Report was "perhaps" one important document in a new process which was supposed to lead to municipal reform. The work of the joint committee, which will be discussed at greater length in Chapter 7, became the focal point for municipal reform after 1976.

#### Responsibility for Services (Nova Scotia)

The Nova Scotia government's response to the Graham Commission's recommendations for a dramatic reallocation of functions between the provincial and municipal levels of government was different from the New Brunswick government's response to the Byrne Commission. Although the transfer of

some functions to the provincial level was supported by many groups, including municipalities, the Nova Scotia government only proposed the transfer of one function, that of assessment.

Although the Graham Commission argued for congruence between the level of government responsible for the administration of a service and the level of government financing it, the Nova Scotia government appears to have only seriously considered the assumption of the costs of those general services. In June 1975, the Minister of Municipal Affairs stated:

The commitment by this government to assume the shareable costs of education over a period of three years leads logically to the program of taking over the assessment of the province...

Consideration will be given by the provincial government to assuming the cost of some services other than education. This will depend entirely upon the revenues that are produced by taking over the non-residential tax base, as well as the equalization grants from the federal government...<sup>28</sup>

The provincial assumption of the costs of municipally administered general services being suggested by the Nova Scotia government was an approach previously rejected by the Byrne Commission as being 'no solution at all'.<sup>29</sup> Later, when the government failed in its attempt to acquire the non-residential portion of the property tax, plans for the assumption of the costs of other general services were abandoned.

The provincial assumption of the assessment function was prompted by the government's intention to take over the additional revenue source of non-residential property tax, as recommended by the Graham Commission. Introduction of a provincial assessment service was deemed necessary to achieve this. The argument that the assumption of the assessment function was prompted by the government's commitment to assume the shareable costs of education only makes sense in the context of the provincial government acquiring an additional source of revenue, that of the non-residential property tax. Part of the reason for the provincial takeover of assessment in New Brunswick had been to assure uniform province-wide assessment in order to put in place an unconditional equalization grant. Although the same logic might be applied to Nova Scotia, the province was already providing equalization grants for education and other municipal services, and this without a provincial assessment service. Thus, the reasoning used in New Brunswick was not so easily applicable in Nova Scotia.

As a result of the Joint Task Force between the Union of Nova Scotia Municipalities and the Department of Municipal Affairs, the Department in 1978 produced a position paper entitled "New Directions in Municipal Government in Nova Scotia" in which it set forth its general policy concerning the allocation of functions. However, the main

focus of the 1978 position paper was on municipal finance. The proposals, moreover, did not reflect official government policy nor did it have the endorsement of the Union of Nova Scotia Municipalities, as the paper took pains to point out.

None of the specific proposals that appear in this paper has the official endorsement of the Union of Nova Scotia Municipalities, though we hope most of its members will find the positions taken acceptable answers to current problems. Similarly, this paper does not set out official government policy. It is a statement of the goals and objectives of the Department of Municipal Affairs, one that we hope will be accepted by the government and by the municipalities.<sup>30</sup>

The Department was in effect sounding out reactions to various alternatives although the government as a whole does not seem to have seriously considered them. In any event, the Liberal government was defeated shortly thereafter. Although the Progressive Conservative government of John Buchanan implemented many of the proposals made in the 1978 Position Paper, particularly concerning finance, the issue of the reallocation of functions has not surfaced again.

However, a brief examination of the Position Paper's suggestions is in order. Recognizing that the proper allocation of responsibilities is one of the basic elements in an effective system of municipal government, the Department of Municipal Affairs suggested that although few conclusions were reached by the Joint Task Force, some basic shifts in service responsibilities were foreseen over a period of time.



The Department, then, considers that over the course of the next few years there should be a considerable reallocation of responsibilities for service.

... While reallocation of responsibilities is not the total solution to the problem of matching municipal revenues to expenditure needs, it is a part of any approach to strengthening municipal government.<sup>31</sup>

This statement by the Department illustrates that in 1978 it was still not clear what was meant by the phrase 'reallocation of responsibilities'; the Position Paper refers to both the assumption of financial responsibility as well as to the assumption of both financial and administrative responsibility.

#### Territorial Organization (Nova Scotia)

The policy of the Liberal government of Gerald Regan with respect to change in the territorial organization of municipalities was relatively clear from the outset, that policy being one of 'neutrality'. Because of perceived opposition to territorial modification, the government would not force or even try to encourage any amalgamations. A year after the Graham Report was made public, the Minister of Municipal Affairs, J. Fraser Mooney, stated in the House:

Now, the division of the province into eleven municipal units, as suggested by the Royal Commission, is not acceptable to a large majority of the people in the

province. No particular consensus can be found on municipal division but there is general agreement that some boundary changes are necessary. It is the belief of this government that these changes may evolve over a period of time as cooperation among municipalities increases.<sup>32</sup>

As shall be seen in Chapter 6, there was indeed some agreement for some boundary changes in the province, although not to the extent desired by the Graham Commission. This desire for change was recognized by the Select Committee which reported that "while many people were prepared to accept a reallocation of the boundaries and indeed a number requested changes in the size and shape of the municipal unit"<sup>33</sup>, almost all of these demands were for changes within the county structure. Thus, while reacting negatively to the Graham Commission's proposals for eleven municipal units, some municipalities were ready to accept less dramatic modifications.

Although not suggesting direct provincial government intervention to force amalgamations, the policy enunciated in 1975 by J. Fraser Mooney nevertheless did not reject the idea of some provincial government encouragement. In 1976, however, provincial government encouragement for amalgamations was rejected explicitly by Mooney's successor, Glen Bagnell. Responding to a question on the amalgamation of the Halifax/Dartmouth area, Bagnell declared in the House:

We have left that entire subject to the discretion of the municipal units... I don't think that there's any atmosphere, or let's say any general consensus of the municipal units in this county that this should go ahead and any move towards that matter will come from the impetus generated from the municipal level, not from the provincial level.<sup>34</sup>

In response to a supplementary asking if that statement on Halifax/Dartmouth also applied to the rest of the province, Bagnell replied:

Yes, Mr. Speaker, that is the - as far as I am aware of within the government and also as far as my personal direction is concerned, that we will help and assist when asked but we will not initiate the act.<sup>35</sup>

Thus, on the day that the Graham Commission had chosen for its far-reaching recommendations to take effect, the government enunciated what amounted to a policy of non-interference concerning municipal amalgamations.

That this policy of non-interference was more than mere rhetoric is substantiated by the events that followed. The joint committee (Task Force) between the Department of Municipal Affairs and the Union of Nova Scotia Municipalities did not deal with amalgamations. In addition, no municipal amalgamations have occurred in Nova Scotia since.<sup>36</sup> In fact, one additional municipal unit has been created, the Town of Bedford, and there are indications that another suburb of Halifax may seek town status, that of Sackville.<sup>37</sup> These developments occurred, however, since the defeat of the Liberal government and the coming to

office of the Progressive Conservative government of John Buchanan. Although the incorporation of Bedford was approved by the Public Utilities Board, a quasi-judicial body empowered to regulate a number of matters including municipal boundaries<sup>38</sup>, the Progressive Conservative government of John Buchanan did not take any steps to prevent it, and therefore can be said to have continued the policy enunciated earlier by the Liberal government.

The only area in which amalgamations have occurred in Nova Scotia since the Graham Commission has been in relation to school boards, and these cannot be directly attributed to the Graham Commission. In 1981, the Progressive Conservative government of John Buchanan instituted a Commission to inquire into education finance. In addition to recommending increased provincial funding and a global (formula) budgeting approach, the Walker Commission proposed that the existing school boards be grouped into twenty-one district boards.<sup>39</sup> However, the creation of these district boards did not change the respective powers of the provincial and municipal governments in relation to education. To ensure the 'voluntary' cooperation of the municipalities, the government accepted the Walker Commission's proposal that municipal school boards which did not form part of district boards be penalized a portion of the provincial grant for education. Although initially many were hostile to the idea,

all municipal school boards with the exception of Hansport had signed district board agreements by the government's deadline of January 31, 1982. The loss of provincial revenues and the subsequent increase in municipal taxes were too high a price to pay for maintaining the existing level of local autonomy over school boards. As noted earlier, these school board amalgamations were the result of the Walker Commission and not the Graham Commission, although the latter can be said to have laid some of the groundwork for the former on both financial and organizational matters.<sup>40</sup>

#### Financial Structure (Nova Scotia)

The major part of the post-Graham reforms have occurred in the area of municipal finance and provincial-municipal fiscal relations. This is not surprising given the emphasis placed on provincial-municipal fiscal relations, and in particular the cost of education, from the outset. In June 1975, the Minister of Municipal Affairs, J. Fraser Mooney, declared:

Since 1970 when the government came to power, we embarked on a program of municipal reform which included interim financing and the establishment of a Royal Commission to investigate provincial-municipal fiscal relations and particularly the cost of education...

The Royal Commission was established because of the rising residential municipal taxes resulting from the need and demand of people for municipal services. Municipalities were demanding an increasingly large share of the provincial budget in order to meet their rising costs.<sup>41</sup>

From other passages in the Proceedings of the House, it is obvious that the question of finance was the dominant preoccupation of the Liberal government of Gerald Regan in relation to municipal government.<sup>42</sup>

One of the major elements in the reorganization of the provincial-municipal fiscal relationship, that of the provincial assumption of a larger portion of the costs of education, has its origins prior to the Graham Commission and even prior to the Liberals assuming office. In 1975, Premier Regan stated:

we, in this party, have the past eight years, in any event since the 1967 election, taken a stand in favour of removing from the property taxpayer the responsibility for payment of the operating cost of education.<sup>43</sup>

During the 1974 election, which preceded the submission of the Graham Report, the Liberals offered and eventually delivered a property tax rebate to residential property owners in order to relieve them of part of the burden of the costs of education. Although the interim property tax rebate plan was a politically well-timed one, it also represented long term government policy in that area, as demonstrated by later actions of the Liberal government. By 1977 the provincial government had assumed the entire shareable operating

costs of education that would otherwise have been borne by the residential property taxpayer, leaving the municipality to pay the non-residential portion, calculated according to a scale based on per capita assessment, as well as any costs that were non-shareable according to the foundation program established after the Pottier Royal Commission in the 1950s.<sup>44</sup> In effect, the provincial government was increasing its education grant to municipalities by the amount of the tax that would have been raised by the municipality from residential taxpayers to cover the municipal portion of shareable education costs.<sup>45</sup>

As part of the plan to assume a larger share of the cost of education and in accordance with what they believed to be part of the Graham Commission's program, the Liberal government in 1975 proposed legislation that would have enabled it to take over the non-residential tax base, while rebating part of the revenues to the municipalities. Because of opposition from the Progressive Conservatives and the municipal sector, the government later withdrew Bill No. 141 (Non-residential Property Tax). The government then proceeded with the creation of a Joint Task Force between the Union of Nova Scotia Municipalities and the Department of Municipal Affairs to discuss and prepare further reform, particularly as it related to provincial-municipal fiscal relations.

Since the creation of the Joint Task Force, all municipal reform in Nova Scotia has been discussed and developed by it, with the exception of those modifications brought about by the Commission on Public Education Finance (Walker Commission). As mentioned earlier, the Department of Municipal Affairs in 1978 issued a position paper on municipal government which dealt in large part with finance. This Position Paper, fully endorsed by the Union of Nova Scotia Municipalities, was a direct result of the Task Force's work. The Liscombe Municipal Priorities Conference was held in September 1977 to discuss the progress of the Task Force and to provide it with further direction. This Conference included the Minister of Municipal Affairs, his senior officials, and both elected and appointed municipal officials.

The Task Force, following the Liscombe Municipal Priorities Conference, concentrated its work on the production of a general grant formula. The Conference had given this top priority. It was recognized that many other changes were required as well, but replacement of the Municipal Service Act grants came first.<sup>46</sup>

The grant formula proposed by the Department in 1978 reappeared the following year as the newly-elected Progressive Conservative government's proposals for municipal fiscal reform, entitled "Fiscal Justice"<sup>47</sup>, although no mention was made of the earlier Liberal position paper. These were accepted by the municipalities and eventually were incorporated in a new Municipal Services Act. To the extent that



these reforms were the consequence of a process set in motion by the publication of the Graham Report in 1974, they will be considered as policy impacts of the Graham Commission; however, the precise contents of that reform may not be entirely compatible with the proposals of the Commission.

Without going into detail on the new general grant for operating expenditures, it should be noted that the general principles behind the new grant are similar to those laid down by the Graham Commission. This new grant is unconditional and contains an equalization element, with a guarantee that no municipality would be penalized by the new formula. In addition, municipalities would receive full grants in lieu of taxes on provincial government property as well as a road user charge. Although the manner in which that grant is calculated differs from the Graham Commission's proposals, it satisfies the Commission's desire for more local autonomy in relation to expenditures, as well as for equalization. Any attempt by the Nova Scotia government to apply the Graham Commission's precise grant structure would have been useless, given the failure to reallocate responsibilities and to reorganize existing municipal boundaries.

The other major change in provincial-municipal finance occurred in 1982 as a result of the Walker Commission.<sup>48</sup> On the question of education finance, this Commission advocated a 'middle of the road' position

between the Pottier Report of 1954 and the Graham Report of 1974.

Whereas Pottier advocated a partnership arrangement and a shared financial responsibility, Graham was strongly in favour of the Province assuming the full financial responsibility for the public schools of Nova Scotia.

This Commission acknowledges, as did Graham, that the burden of education on the property tax should be reduced, but we do not support the opinion that it must be removed altogether to achieve approximate equality in educational opportunity throughout Nova Scotia.<sup>49</sup>

Although the provincial government had earlier assumed the entire residential portion of shareable operating costs of education, the Walker Commission noted that the non-shareable portion had grown considerably because of lack of appropriate adjustment in the rates used to calculate that shareable portion and thus still constituted too large an amount. Moreover, there was an inequitable distribution because of regional disparities in the local revenue base.

The Walker Commission's proposal was that the province should assume the entire financial responsibility for part of the costs of education and share the remainder with the municipalities on the basis of an ability-to-pay formula which calculated the municipal contribution by a \$.35/\$100 property tax rate.<sup>50</sup> In addition, this grant would be on a per-student basis and the rates used to calculate this grant would be updated each year to reflect

the expenditure levels required to provide a sound foundation program in education. This structure, as well as the financial penalty to force the creation of twenty-one district boards, was accepted by the government and implemented for the 1982/1983 school year.

### Categorization of Policy Outputs

Having exposed the response of both the Nova Scotia and New Brunswick governments to their respective Royal Commission's recommendations, those policy outputs will now be analyzed in relation to the policy categories outlined in the introduction. As already noted, the categories employed by Salisbury are not necessarily exclusive. Moreover, large scale reforms such as the ones envisaged by both the Byrne and Graham Commissions will usually include elements of more than one policy category. Nevertheless, the policy response of the New Brunswick and Nova Scotia governments can be classified as being predominantly one or another of the four categories proposed.

Salisbury and Heinz's formulation involve a distinction between two types of policy, allocative and structural.

By allocative policies we mean decisions which confer direct benefits, material or symbolic, upon individuals and groups.

Structural policies we take to mean policies which establish authority structures or rules to guide future allocations.<sup>51</sup>

The latter policies are generally more abstractly formulated than the former. Moreover, the effects of structural policies are more ambiguous than those of allocative policies. In terms of this dichotomy (allocative versus structural), it can be argued that the New Brunswick policy response was of an allocative nature in that it conferred direct benefits upon individuals and groups whereas the Nova Scotia policy response was largely structural in that it established authority structures or rules to guide future allocations. As a direct consequence of the Robichaud government's decision to bring in the Program for Equal Opportunity, citizens in the poorer regions of the province began to receive vastly improved services. The quality of education, health and social services changed dramatically for many citizens. Benefits in the form of reduced taxation were also conferred on a large portion of the population. On another level, the expectations created by the concept of 'equal opportunity' can be said to have conferred 'symbolic' benefits to residents of the more economically deprived areas of the province, and in particular to the Acadian population of New Brunswick.

According to Salisbury, allocative policies can either be distributive or redistributive.

Distributive policies are those perceived to confer direct benefits upon one or more groups. Redistributive policies likewise confer benefits, but also are perceived to take benefits away from other groups.<sup>52</sup>

These definitions of distributive and redistributive indicate that the categorization of policies depends in large part on the perceptions of the participants in the policy process.

The relevant perceptions in each case are those of the active participants in the policy-making process. This would include all those making explicit demands on the decisional system, as well as those taking an active part in it.<sup>53</sup>

Thus, the key distinction between distributive and redistributive policy is the perception of the participants in the policy-making process as to whether or not the policy in question takes benefits away from one or more groups to confer upon another group. In the New Brunswick situation, the policy was perceived to take benefits away from one group to confer upon another. This will be demonstrated in the following chapter when the reactions to the 'Program for Equal Opportunity' will be discussed. The redistributive nature of this program has already been noted by Cyr<sup>54</sup> and Fitzpatrick.<sup>55</sup>

Although redistributive in terms of overall intent it can be argued that there was also a regulatory element in the policy response of the New Brunswick government in that the program included the establishment of authority structures to guide future allocations. The transfer of

responsibility for the general services as well as the modifications to the territorial organization of local government involved questions of a structural nature. However, these modifications were part of a larger program of redistribution and were certainly not seen as being ambiguous in their effect, as shall be demonstrated later. Thus, although to some extent regulatory in nature, the main thrust of the 'Program for Equal Opportunity' was redistributive. This situation is compatible with Peters' suggestion that regulative and redistributive policies are closely related.<sup>56</sup>

The Nova Scotia government's response to the Graham Commission can be considered structural because of the process which determined the eventual policy outputs. Aside from the transfer of the responsibility for assessment to the provincial government, the only important policy response was the introduction of a new provincial-municipal grant structure, which came about as a result of the Joint Task Force established in 1976. It has already been stated that structural policy can either be regulatory or self-regulatory, depending on the locus of power in relation to that policy. Regulatory policies are those in which the government directly undertakes the structural modifications or changes in the 'rules of the game'. On the other hand, self-regulatory policy is that type of policy usually seen in relation to professional groups where the policy decision is

one to delegate authority to the demand group, as in the case of self-administered licensing authority. Moreover, self-regulatory policy is also often seen in relation to various economic groups. However, this formal delegation of authority is not the only indication of self-regulatory policy. Salisbury and Heinz include as self-regulatory policy situations where there has been a de facto delegation of authority, although the de jure authority remained with the legislature.

The situation in Nova Scotia resembles the types of de facto delegations of authority described in Chapter 1. The major modifications in provincial-municipal relations that have occurred in Nova Scotia in response to the Graham Commission have come about as a result of the Joint Task Force. As will be argued more thoroughly in Chapter 7, notwithstanding both the de jure locus of authority and the statements of various political leaders, the locus of discretion lay with that Task Force and in large part with the Union of Nova Scotia Municipalities, the representative of the municipal sector. Thus, the overall thrust of the post-Graham policy reaction of the Nova Scotia government was one of self-regulatory policy. The Nova Scotia government in effect delegated to the municipal sector de facto responsibility for defining further policy on provincial-municipal relations which would then be ratified by the government.

Any policy of self-regulation is, however, subject to change over time. For example, the self-administering authority granted to doctors and lawyers may be modified by governments. Until that modification is made, however, the policy can be rightfully considered self-regulatory. Similarly, although the apparent 'veto' granted to the Union of Nova Scotia Municipalities may not remain forever, Nova Scotia municipal policy can be considered self-regulatory until events demonstrate otherwise.

The categorization of the Nova Scotia policy outputs as self-regulatory does not negate the fact that the eventual outcome of the new grant structure has been allocative in that benefits were conferred to some or all municipalities. What is being argued is that this was a secondary decision which resulted from the 'self-regulatory' policy to delegate the de facto authority for municipal reorganization to the municipal sector with the creation of the Joint Task Force. In effect, the allocative decision was made by the self-regulated group and can thus be considered as 'secondary benefits'. This is compatible with Salisbury's conception of self-regulatory policy which does not preclude benefits, either symbolic or tangible, being conferred by the self-regulated group. In fact, the key reason any sector seeks self-regulation is to limit the groups involved in future decisions concerning that particular sector.



### Conclusion

If the Graham Commission was brought in with much more political fanfare than the Byrne Commission, the same cannot be said about the Graham Commission's impact on provincial policy. The Byrne Commission in New Brunswick resulted in a massive program of reform, most of which became law on January 1, 1967. On the other hand, the Graham Commission in Nova Scotia resulted in much less change. What changes there were took longer to bring about and were partly the result of other consultative mechanisms such as Joint Task Force. Moreover, the changes in New Brunswick were of a redistributive nature compared to Nova Scotia's self-regulatory outputs. In addition, the changes in Nova Scotia were spread out over a longer period of time, and on an ad hoc basis, as opposed to one large reform program in New Brunswick. Tables 4-2 and 4-3 demonstrate the respective impacts of the Byrne and Graham Commissions in relation to the policy areas dealt with in this study.

Because of the nature of the process involved, and the government's reluctance to impose any changes on the municipalities, the legislative debate over the Graham Report was much milder than the situation in New Brunswick in relation to the Byrne Report. Whereas the implementation of the Byrne Report preoccupied the New Brunswick Legislature for

TABLE 4-2

IMPACT OF THE BYRNE COMMISSION ON RESPONSIBILITY FOR  
SERVICES, TERRITORIAL ORGANIZATION, AND FINANCE

BYRNE COMMISSION	NEW BRUNSWICK GOVERNMENT POLICY
<u>Responsibility for Services</u>	<u>Responsibility for Services</u>
<ul style="list-style-type: none"> <li>- Transfer to provincial level of the following services:               <ul style="list-style-type: none"> <li>a) education</li> <li>b) health</li> <li>c) social services</li> <li>d) administration of justice</li> <li>e) assessment</li> </ul> </li> <li>- Creation of administrative commissions to administer general services</li> </ul>	<ul style="list-style-type: none"> <li>- Transfer to provincial level of the following services:               <ul style="list-style-type: none"> <li>a) education</li> <li>b) health</li> <li>c) social services</li> <li>d) administration of justice</li> <li>e) assessment</li> </ul> </li> <li>- Administration by regular departmental structures</li> </ul>
<u>Territorial Organization</u>	<u>Territorial Organization</u>
<ul style="list-style-type: none"> <li>- Abolition of counties</li> <li>- Creation of villages and local service districts</li> <li>- Creation of second-tier council to administer 5 key services in multi-municipal urban areas</li> </ul>	<ul style="list-style-type: none"> <li>- Abolition of counties</li> <li>- Creation of villages and local service districts</li> <li>- Initially status quo for multi-municipal urban areas: later amalgamations in the Moncton and Fredericton areas</li> </ul>
<u>Provincial-Municipal Finance</u>	<u>Provincial-Municipal Finance</u>
<ul style="list-style-type: none"> <li>- Unconditional equalization grants</li> <li>- \$1.50 provincial property tax</li> <li>- Abolition of tax concessions to industry</li> <li>- Maximum \$.50 municipal property tax rate</li> </ul>	<ul style="list-style-type: none"> <li>- Unconditional equalization grants</li> <li>- \$1.50 provincial property tax</li> <li>- No new tax concessions</li> <li>- No maximum municipal property tax rate</li> </ul>

TABLE 4-3

IMPACT OF THE GRAHAM COMMISSION ON RESPONSIBILITY FOR  
SERVICES, TERRITORIAL ORGANIZATION, AND FINANCE

GRAHAM COMMISSION	NOVA SCOTIA GOVERNMENT POLICY
<u>Responsibility for Services</u> - Transfer to provincial level of the following services: a) education b) health c) social services d) administration of justice e) assessment	<u>Responsibility for Services</u> - Transfer to provincial level of the following service: a) assessment
<u>Territorial Organization</u> - Abolition of all existing municipalities and the creation of 11 county governments	<u>Territorial Organization</u> - Increase in number of municipalities from 65 to 66
<u>Provincial-Municipal Finance</u> - Emphasis on unconditional and equalization grants	<u>Provincial-Municipal Finance</u> - Provincial assumption of larger share of the cost of education - New grant for operating expenditures, unconditional and equalization

two sessions, the main legislative debate on the implementation of the Graham Report took place in June 1975 after the introduction of the Assessment Act and the Non-residential Property Tax Act.

One difference between the two cases is that in Nova Scotia the process of implementation involved two different governments, the Liberal government of Gerald Regan and the Progressive Conservative government of John Buchanan. The major fiscal reforms, initially proposed by the Liberal government in 1978, were later implemented by the Buchanan government. Furthermore, the Progressive Conservative government introduced a new Municipal Elections Act<sup>57</sup> as well as a Municipal Board<sup>58</sup>, both of which had also been suggested in the 1978 Department of Municipal Affairs Position Paper. The explanation for and the implications of this continuity between the Regan and Buchanan governments on matters of provincial-municipal relations will be discussed at length in Chapter 7.

One irony in the two cases studied is that while the Graham Commission devoted considerably more time than the Byrne Commission to the issue of territorial organization of municipalities, the Nova Scotia government has since paid very little attention to that matter. New Brunswick, on the other hand, has seen considerable changes in that field, ranging from the abolition of the counties in 1967 to

amalgamations in some urban centers as well as an attempt in 1976 to reintroduce local government in the non-incorporated areas of the province.

Having seen the policy impacts of both the Byrne and Graham Commissions, the next three chapters will deal with the reaction to the proposals in New Brunswick, the reaction to the proposals in Nova Scotia, as well as the process involved in both cases.

## FOOTNOTES

1. Synoptic Report of the Proceedings of the Legislative Assembly of the Province of New Brunswick (hereinafter referred to as N.B. Synoptic Report), March 4, 1965, 217.
2. Hon. Mr. Duffie, N.B. Synoptic Report, March 25, 1966, 29-30.
3. N.B. Synoptic Report, March 4, 1965, 217.
4. The debate on this Bill was severe in part because it was the first Bill to be enacted as part of the "Program for Equal Opportunity". It was, in fact, the opening 'battle'.
5. Hon. Mr. Meldrum, N.B. Synoptic Report, April 19, 1966, 231.
6. Hon. Mr. Dumont, N.B. Synoptic Report, May 11, 1966, 584.
7. Confidential interviews.
8. N.B. Synoptic Report, November 19, 1965, 1064.
9. See supra, Fn. 34, Ch. 3.
10. Krueger, "Provincial-Municipal Revolution", 89.
11. N.B. Synoptic Report, November 16, 1965, 1047.
12. Ibid.
13. See James E. Anderson, Public Policy-Making (New York: Praeger, 1975), 5.
14. See New Brunswick, Royal Commission on the Greater Fredericton Area, Report (1971) and New Brunswick, Royal Commission on the Greater Moncton Area, Report (1971). For an analysis of restructuring in the Moncton area; see Harley d'Entremont, "Restructuration municipale dans l'agglomération monctonienne: la Commission Goldenberg" (Paper presented to the annual meeting of the Atlantic Provinces Political Studies Association, Moncton, October, 1981).
15. Confidential interviews.

16. The population of the Greater Moncton Metropolitan Area is approximately 1/3 francophone and 2/3 anglophone. The following table indicates the linguistic breakdown by municipality in 1972.

<u>Municipality</u>	<u>Population</u>	<u>% Francophone</u>	<u>% Anglophone</u>
Moncton	47,891	32	67
Lewisville	3,710	40	60
Dieppe	4,227	79	21
Chartersville	320	84	16
St Anselme	1,150	84	16
Riverview Heights	6,525	4	96
Gunningsville	1,669	4	96
Bridgedale	416	4	96

Source: Population figures are from Statistics Canada, Canada Census, 1971 (Cat. 92-708). The linguistic breakdown is approximate, derived from the Goldenberg Report on Greater Moncton and the Greater Moncton Metropolitan Plan, Background Document 3.

17. N.B. Synoptic Report, February 22, 1966, 2423.
18. N.B. Synoptic Report, November 16, 1965, 1046.
19. Tax concessions were eventually abolished by the Progressive Conservative government, following the recommendations of the Task Force on Municipal Structure and Financing (1972).
20. See Hon. Mr. Weyman, N.B. Synoptic Report, November 19, 1966, 1494.
21. N.B. Synoptic Report, June 21, 1966, 1361-1363.
22. Debates and Proceedings of the Nova Scotia House of Assembly (hereinafter referred to as N.S. Assembly Debates), February 3, 1975, 3.
23. Source: confidential interviews.
24. N.S. Assembly Debates, June 11, 1975, 1688.
25. N.S. Assembly Debates, June 11, 1975, 1678.
26. N.S. Assembly Debates, February 17, 1976, 3.
27. N.S. Assembly Debates, April 1, 1976, 1385.
28. N.S. Assembly Debates, June 11, 1975, 1677.

29. See supra, Ch. 3.
30. Nova Scotia, Department of Municipal Affairs, New Directions in Municipal Government in Nova Scotia (1978).
31. Ibid., 22.
32. N.S. Assembly Debated, June 11, 1975, 1676.
33. Nova Scotia, Select Committee of the House of Assembly on Education, Public Services and Provincial-Municipal Relations, Report (1975) (hereinafter referred to as the Select Committee), 10.
34. N.S. Assembly Debates, April 1, 1976, 1386.
35. Ibid..
36. However, both Halifax and Dartmouth have extended their boundaries by annexing parts of Halifax County.
37. Sackville has yet to seek town status. If it does, however, it could become the fifth largest municipality in Nova Scotia, depending on where the boundary is drawn.
38. This function has since been transferred to the newly-created Municipal Board.
39. Nova Scotia, Commission on Public Education Finance, Report (1981) (hereinafter referred to as the Walker Report).
40. The Walker Commission clearly could not ignore the comprehensive review of education finance and administration done by the Graham Commission. Although rejecting the Graham Commission's far-reaching reorganization, the Walker Commission recognized the need to correct the equalization formula and to reduce the number of school boards, as did the Graham Commission.
41. N.S. Assembly Debated, June 11, 1975, 1675.
42. As noted earlier in Ch. 3, the terms of reference of the Royal Commission were enlarged on the recommendation of various advisors and municipal officials.
43. N.S. Assembly Debates, June 11, 1975, 1686.



44. Nova Scotia, Royal Commission on Public School Finance, Report (1954).
45. The municipal share was initially set at \$.80/\$100 of assessment. However, it had been increased to \$1.35/\$100 of assessment by 1981.
46. N.S. Department of Municipal Affairs, New Directions.
47. N.S. Department of Municipal Affairs, Fiscal Justice (1979).
48. See Walker Report.
49. Ibid., II.
50. The Report calculated a rate of \$1350 per student, \$950 of which would be assumed by the province. The remaining \$400 would be shared between the province and the municipality on the basis of a formula based on the ability-to-pay of the municipal unit. In addition, a 5% supplement was recommended for 'Acadian' areas because of the additional expenditures incurred for minority-language education. This provision was well received by the Acadian community.
51. Salisbury and Heinz, "A Theory of Policy Analysis", 43.
52. Salisbury, "The Analysis of Public Policy", 159.
53. Ibid.
54. Cyr, "Le programme 'chance égale pour tous'".
55. P.J. Fitzpatrick, "The Politics of Pragmatism", in Martin Robin (ed.), Canadian Provincial Politics (Scarborough, Ont.: Prentice-Hall of Canada, 1978), 120-137.
56. Peters, Doughie and McCulloch, "Types of Political Systems". Ruff, "Administrative Reform and Development", also suggests both redistributive and regulatory policy.
57. See Donald Higgins, "Nova Scotia's 'New Directions in Municipal Government'", Urban Focus, 7, No. 4 (March-April 1979), 1-3.
58. See Donald Higgins, "Nova Scotia's New Municipal Board", Urban Focus, 10, No. 1 (September-October 1981), 1-3.

## CHAPTER 5

### DEMAND PATTERN - NEW BRUNSWICK

#### Introduction

As seen in Chapter 1, the pattern of demands made upon the decisional system is one of the factors associated with policy outputs. Accordingly, this chapter deals with the position of various groups on the policy issues stemming from the Byrne Commission. In the context of the Salisbury model, the concept of demands refers to representations expressed to or perceived by the political system in relation to a particular issue. These demands will be examined to ascertain whether they constitute an integrated or fragmented demand pattern and to determine its scope. As the policy was categorized as redistributive, it is hypothesized that the demand pattern in New Brunswick was integrated and of broad scope.

#### Political Parties

Although the role of political parties in the policy process will not be elaborated upon here, some general comments on their participation in the formulation of public policy are in order. It will be sufficient here to say that their role is somewhat marginal in this context. Pross

suggests that political parties constitute part of the policy 'web', but that they do not play a central role in Atlantic Canada.<sup>1</sup> They participate, along with many other actors, in the formulation of policy. This is not to suggest that political parties should be ignored in this study, only that their institutional role is a minor one in the overall policy process and as such are not the central focus of this research.

Party politics in New Brunswick has traditionally been a two-party affair, the more so during the sixties when the 'Program for Equal Opportunity' was being debated.<sup>2</sup> Although third parties and independents have occasionally received more than 10% of the popular vote (1920, 1944, 1978), in the three elections won by the Liberals under the leadership of Robichaud (1960, 1963, 1967), 99% or more of the popular vote went to the two major parties, the Liberals and the Progressive Conservatives. For this reason, only the positions of those two parties will be discussed.

The position of the Liberal Party of New Brunswick has already been seen in the last chapter. With some exceptions, the party and the government accepted the Byrne Commission's recommendations and supported large-scale reforms in provincial-municipal relations. How unanimous this support was is hard to ascertain, although there is little evidence to suggest much internal dissent. On the

contrary, there is evidence<sup>3</sup> to suggest that the caucus was reasonably supportive of the reforms, even though some feared the political consequences of such action. Premier Robichaud managed to convince those skeptical members of his caucus that the reforms proposed were feasible and there was no public criticism of the 'Program for Equal Opportunity' by members of his caucus.

With the exception of the legislation on public welfare (Bills No. 120, 121, and 122), the Progressive Conservatives were steadfast in their opposition to the Byrne Report and the ensuing legislation designed to implement its recommendations. The Progressive Conservatives were opposed to the 'Program for Equal Opportunity'. To the Progressive Conservative Party, the 'Program for Equal Opportunity' meant the eventual abolition of local democracy and the beginning of a centralized 'authoritarian' regime for New Brunswick.

During the 1967 election, the Progressive Conservative Party did not openly campaign against the 'Program for Equal Opportunity' as such although it attacked many features of the program such as centralization and the reorganization of the school system.<sup>4</sup> One reason for the absence of a coherent platform against Equal Opportunity was the leadership of the party, with Charlie Van Horne as leader. After having defeated Richard Hatfield in 1966 for the party leadership, Van Horne imposed his own brand of

politics on the Progressive Conservative Party. Fitzpatrick comments that his style of campaigning was:

'...characterized by a total lack of policy discussion and an emphasis on bread and circuses-dances, socials, ski-doo parties, white cowboy hats, ball point pens, cigars, gimmicks galore... The Van Horne attitude toward issues and policies was that they were non-existent.<sup>5</sup>

Van Horne's style of campaigning effectively precluded any coherent platform in opposition to the Liberal Party's Program for Equal Opportunity'.

#### Municipal Associations

As might be expected, the attempt at municipal reorganization brought out many reactions from municipalities and municipal officials. In the context of British local government, Ashford has noted that since elected local officials 'symbolically' represent the existing order, they will be involved in any discussion concerning municipal reform, and will normally be antagonistic to radical changes which affect their status.<sup>6</sup> The situation in New Brunswick followed a similar pattern, with municipal officials presenting a great deal of comment and criticism on the proposed changes.

First, the position of the Union of New Brunswick Municipalities will be examined.<sup>7</sup> This Union was in

effect a weak federation of the other municipal associations that grouped together municipal units according to their status; that is, cities, towns or counties. These other municipal associations and individual municipalities took positions that were sometimes contrary to the Union's stand.

The Union was not opposed to all the provisions of the Robichaud Plan. In fact, the Union was generally supportive of the proposed provincial takeover of the cost and responsibility for the administration of justice<sup>8</sup> and social services.<sup>9</sup> The major changes in the education and health sectors met with much less enthusiasm, although the Union recognized the need for reform in both those areas. The major criticism by the Union of the government's proposals in matters of health and education was that this involved too much centralization of power in the hands of civil servants and Cabinet Ministers in Fredericton. Although some of the modifications made in the second versions of the Bills submitted after the hearings of the Law Amendments Committee were thought to be in the right direction (Bill 22, for example), the Union could nevertheless not support the government's position.<sup>10</sup>

On the other elements of the proposed reorganization, however, the Union was adamant in its opposition. The proposals for the abolition of county government and the centralization of assessment and tax collection functions

3



were vigorously rejected. In its brief of January 21 regarding Bill No. 116 (The Municipalities Act), the Union stated that the abolition of county government, the creation of an unlimited number of villages and the centralization of "all authority" was no solution to the problem.<sup>11</sup> Bill No. 21, the revised Municipalities Act, was also found objectionable, mainly because it still included the abolition of county government and the establishment of numerous villages. The Union restated its opposition to the abolition of county governments although it accepted that their boundaries should be altered if necessary and that new functions should be given to them. Moreover, the Union argued that the functions of county governments should be confined to the rural areas.<sup>12</sup>

This indicates that although the Union was adamant in its objection to the abolition of county government, it was nevertheless willing to agree to both major modifications in boundaries and to a limited reallocation of functions. Thus, according to the Union, it was important that rural local government be maintained, although the exact boundaries and functions of such units were open to discussion.

#### Rural Municipalities

Not surprisingly, the Rural Association which represented the counties opposed the 'Program for Equal



Opportunity'. In a sixty-page brief, the Association took both the Byrne Commission and the government to task for what they were proposing. The initial 'attack' of the Association centered on the proposed abolition of county government.

It is the position of this Association that abolition of county government is no more necessary than abolition of the Provincial government. The Byrne Report stripped the counties of their functions and then said now the counties have nothing to do. To say the least this was dubious logic! It is comparable to taking a man's clothing and then shooting him for being naked!!<sup>13</sup>

The Association agreed that modifications were needed in provincial-municipal relations in New Brunswick, but rejected the government's proposed modifications.

While recognizing the appropriateness of the Byrne Commission's distinction between 'local' and 'general' services, the Rural Association argued that this did not necessarily have to lead to the abolition of county government. On the contrary, it was argued that with some territorial readjustments, the counties could operate as the regional government in a two-tier system of local government for New Brunswick.

The regional government could administer services of larger than local interest such as health, welfare, justice and education. The smaller units within the regional boundaries would still continue to function as smaller cogs in the wheels of municipal government. A plan similar to this was evolved in Toronto.<sup>14</sup>

In the Rural Association's argument for regional government, frequent references were made to D.C. Rowat's concept of a two-tier system. Shortly afterwards, in 1968, Rowat stated that New Brunswick was too small to justify a two-tier system.<sup>15</sup> Having proposed regional governments to look after the 'general' services, the Association was opposed to the centralization of those functions at the provincial level.

Not all fifteen county units were, however, against the 'Program for Equal Opportunity' proposed by the Robichaud government. Madawaska County, in a letter to the Law Amendments Committee in December 1965, indicated that it was in favor of the plan.<sup>16</sup> This position by the Madawaska County Council was in contradiction to an earlier presentation to the Byrne Commission when it argued against the transfer of responsibilities to the Provincial Government.<sup>17</sup> The Warden of Gloucester County along with half of his council also came out in favor of the Byrne Report.<sup>18</sup> Northumberland County, however, endorsed the Union of New Brunswick Municipalities' stand on the issue although by a narrow vote (16-22). Four counties, namely Kent, Kings, Restigouche and Saint John, seem to have been silent on the subject whereas the remainder supported the position of the Rural Association and the Union. Of note is the fact that the only two counties to come out in support of

the 'Program for Equal Opportunity' were predominantly francophone. It is true, however, that some predominantly anglophone counties did not express strong views against the program, or were silent on the issue.

### Cities and Towns

The position of the cities to the proposed legislation was somewhat ambiguous. In its brief to the Law Amendments Committee on January 27, 1966, the Cities Association of New Brunswick stated that they welcomed the principle of the Government's proposals to assume the financial responsibility for the general services; that is, health, education, welfare and the administration of justice.<sup>20</sup> Although the cities welcomed the provincial assumption of the financial responsibility for the general services, they opposed the provincial takeover of the administration of those services. The cities considered that their administrative agencies were more than capable of assuring a high standard of service if the province assumed the costs. Moreover, the cities were opposed to the proposed centralization of the assessment and tax collection functions.

The attitude of the various mayors to the 'Program for Equal Opportunity' is noteworthy. Most of the controversy or debate concerning the Robichaud government's

proposals focused on either the general trend towards more central control or the Assessment Act in particular. Mayor Jones of Moncton opposed the Assessment Act and suggested that the Robichaud Plan would lead to 'totalitarianism' and the destruction of local government.<sup>21</sup> Mayor Walker of Fredericton argued much the same.<sup>22</sup> On the other hand, two successive Saint John Mayors, Teed and Weyman, found the Byrne Report and the subsequent legislative package to be acceptable.<sup>23</sup> Mayor Walsh of Campbellton was also reported to be favorable to the Assessment Act, which was considered by most to be the cornerstone of the reform package.<sup>24</sup>

The reaction of the various towns to the 'Program for Equal Opportunity' was also mixed. In 1966, New Brunswick contained twenty-one incorporated towns. Although the Fredericton Daily Gleaner reported in an editorial on October 26, 1964 that the Union of N.B. Towns was dissatisfied with the Byrne Report,<sup>25</sup> substantial evidence exists to indicate that many towns were favorable to the Byrne Report and to the subsequent legislation. In October 1964, for example, four north shore/Miramichi area towns, namely Bathurst, Newcastle, Tracadie and Shippagan, declared their support for the Byrne Report's recommendations concerning education.<sup>26</sup> In November 1964, representatives from Sussex, Shediac, Sackville and Dieppe also voiced their

support for the Byrne Report.<sup>27</sup> In December 1965, after the government had presented the first series of Bills, the town councils of Caraquet and Shippagan gave unanimous approval to the 'Robichaud Plan'.<sup>28</sup> The town council of Dieppe also gave its approval, although not without reservations.<sup>29</sup> The mayors of both Chatham and Shediac were also reported as being generally favorable to the proposed reforms.<sup>30</sup> Few towns indicated outright opposition to the proposals as a whole, although many were opposed to certain elements contained in the Bills, notably the Assessment Act and the Municipalities Act. Thus, as with the cities, the towns were divided in their reactions to the proposed reorganization.

### Press

The reaction of New Brunswick's four dailies to the government's plan of reform was extremely varied, ranging from support from the French-language l'Évangéline to what could be described as fanatical opposition by the Fredericton Daily Gleaner. Given the scope and extent of the involvement of these dailies in the debate, the editorial comments of all four dailies will be examined.

From the outset of the discussion on the 'Program for Equal Opportunity', the Fredericton Daily Gleaner, under

the direction of Brigadier Wardell, opposed the legislative package proposed by the Robichaud government and was extremely critical of any brief which supported the measures put forward.<sup>31</sup> A couple of the Daily Gleaner's editorial comments will suffice to demonstrate this point. On December 8, 1965, the Daily Gleaner's editorial read as follows:

The people of New Brunswick are being asked to assume a load of taxation and to accept a usurpation of democratic powers. They are being asked to agree to a concentration of power in the hands of Mr. Louis Robichaud and his ministers which will extend his power of political patronage into the remotest recesses of local governments throughout the length and breadth of New Brunswick.

The people of New Brunswick should summarily reject the proposals. And the only way they can do it is to throw out the present government.<sup>32</sup>

On December 11, referring to the issue of centralization and of Robichaud in general, the Gleaner argued that "there will be no security in New Brunswick if this man is armed with such authority".<sup>33</sup>

A discussion of the Daily Gleaner's role in relation to Robichaud's 'Program for Equal Opportunity' would not be complete without additional information on Wardell, the Daily Gleaner's editor. According to Ned Belliveau, there existed a deep animosity between Robichaud and Wardell, due in large part to the conflict the Premier had with K.C. Irving,<sup>34</sup> New Brunswick's leading industrialist and the owner of the anglophone dailies in New Brunswick. Not only

did Wardell oppose the Robichaud Plan with his paper's stinging editorials, he also wrote a long article for Atlantic Advocate in which he repeated his attack on the Premier and the proposed legislation.<sup>35</sup>

The Telegraph-Journal of Saint John was less adamant in its initial criticisms of the proposed legislation and initially seemed concerned mainly with the financial implications of the reforms. / On December 8, 1965:

Undoubtedly, in this massive program, the benefits to many will be great. But the cost to many will also be heavy - because the money has to come from somewhere.<sup>36</sup>

On November 17, 1965, the editorial warned that:

The changes, which by design are being planned, "regardless of the financial resources of the individual locality" can be approved only when it is certain that they are within the financial capability of the province.<sup>37</sup>

The attitude of the paper gradually took on a more negative tone, especially in relation to the issue of centralization and the abolition of county governments.

This is destined to be a sadly historic day in the Legislature at Fredericton. It may well be known as 'Black Tuesday'. It is the day on which the highly controversial Municipalities Act is scheduled to receive third reading - in other words, to be given final approval.

It is the day of the final effective execution of the system of county councils...<sup>38</sup>

The Moncton Times was more supportive of the Byrne Report and the subsequent legislation than the other English-language dailies. As early as the fall of 1964, the Moncton Times editorial declared:

This newspaper has given general approval to the report's recommendation only because we think that the interests of the people of the province as a whole will, in the absence of any other remedies for taxation ills, be best served by at least some of its proposals.<sup>39</sup>

Shortly after the introduction of the first series of Bills in the fall of 1965, the Moncton Times declared that "The Robichaud Plan (we are going to stick with that term) we believe is essential to the future of the province. Nevertheless, there may be faults..."<sup>40</sup> The second series of Bills proposed in 1966 included modifications that were to the paper's liking, although the details of some of the major Bills, notably the Assessment Act, were not altogether acceptable.

The only French-language daily, l'Évangéline, was very supportive of the overall effort to modify the existing provincial-municipal relationship in the province. A few days after the first series of Bills was brought in, two editorials proclaimed the paper's general acceptance of the reforms proposed by the Government.<sup>41</sup> In January 1966, an editorial from l'Évangéline also lashed out at those who opposed the reforms and notably, the Assessment Act.



L'opposition au plan Robichaud vient de qui? Elle vient de ceux qui par le passé ont jouit de concessions de taxes permettant de réaliser des millions en profit.

...Et comment expliquer ce "revirement" d'attitude de certains journaux de la province à la suite de la "sortie" de M. Irving?<sup>42</sup>

This reference to the reversal of positions on the part of some newspapers in the province, notably the Telegraph-Journal and the Moncton Times, after K.C. Irving's attack on the legislative package of the Robichaud government, underlines the influence that he had on New Brunswick society in general, and newspapers in particular.

#### Business and Labor

The reaction of both business and labor in New Brunswick was also varied. Few labor organizations actively participated in the debate on the implementation of the Byrne Report. Those that did limited their interventions to voice concerns over two issues: the proposed sales tax increase and the collective bargaining rights of public servants. In its 1965 Annual Brief, the New Brunswick Federation of Labor urged caution regarding the Byrne Report because of these two items.<sup>43</sup> The decision to increase the provincial sales tax from three to six percent to finance in part the reforms was opposed by the Federation.<sup>44</sup> The Federation and the

N.B. Division of Canadian Union of Public Employees agreed with the major thrust of the legislative package, that is, the provincial takeover of general services and a new provincial-municipal fiscal relationship.<sup>45</sup> Because provincial civil servants did not have the right to collective bargaining during the period in which the 'Program for Equal Opportunity' was being debated, labor organizations were hesitant to approve the total package. Their fears were soon laid to rest after the province brought in a new statute, on January 1, 1967, governing public service labor relations in New Brunswick. This statute gave provincial public servants the right to strike.

Agricultural associations gave overwhelming support to both the Byrne Report and the ensuing legislative package. As early as December 1964, the New Brunswick Federation of Agriculture adopted a resolution asking that all recommendations of the Byrne Commission be implemented.<sup>46</sup> Local agricultural associations also urged adoption of the Byrne Report. Both anglophone and francophone agricultural associations voiced support for the reform proposals although the francophone associations were more active in this support than the anglophone groups.

In discussing the 1967 provincial-municipal reforms, a distinction should be made between the position of general business associations and that of the larger

industrial concerns. The New Brunswick Branch of the Canadian Manufacturers' Association, in a brief to the Byrne Commission, had recommended that the province assume a greater share of the costs of services that were not truly local in nature, such as education.<sup>47</sup> In keeping with its brief to the Commission, the Canadian Manufacturers' Association reacted favorably to the legislation proposed in the fall of 1965.<sup>48</sup> The Association, however, was concerned about the availability of funds to finance the reforms.<sup>49</sup> On the question of provincial responsibility for general services, large companies such as National Sea Products Ltd.,<sup>50</sup> New Brunswick International Paper Company,<sup>51</sup> and Fraser Companies Ltd.,<sup>52</sup> were in agreement with the stand of the New Brunswick Branch of the Canadian Manufacturers' Association.

The Canadian Manufacturers' Association did not agree with many large industrial concerns in New Brunswick on the issue of tax concessions to industry. The Association was not very receptive to tax concessions and favored their abolition. Most of the larger industrial concerns in New Brunswick, notably the Irving enterprises, were opposed to the abolition of the practice of granting tax concessions, and were especially opposed to the Byrne Commission's suggestion that existing agreements be terminated with no compensation.<sup>53</sup> The result of the debate over tax

concessions was that the existing agreements would be honored by the government although no new concessions were to be granted.<sup>54</sup> Another consequence of this battle was the intensification of the rift that had developed between the Premier and K.C. Irving, the latter having been one of the Premier's staunchest supporters in the early 1960s.<sup>55</sup> Irving then became one of the strongest opponents of the proposed reorganization of provincial-municipal relations.<sup>56</sup>

#### New Brunswick Teachers Association

The New Brunswick Teachers Association's (NBTA) position concerning Bill No. 137 (The Schools Act) introduced on November 26, 1965, will be examined at some length. The reasons for a comprehensive analysis of this one particular Bill and this one particular group are twofold. First, the reforms in the educational sector were considered some of the most important elements of the 'Program for Equal Opportunity'. Secondly, the internal debate within the NBTA gives an insight into the linguistic dimension of the conflict over the implementation of the Byrne Report. This linguistic division is an important element in the analysis of the pattern of demands in relation to the Byrne Commission. Aunger, in his study, suggests that anglophone and

francophone political leaders minimized linguistic conflict and therefore avoided serious friction between the two linguistic groups. He argues that "the most striking example of the political elite's conscious effort to depoliticize ethnic and religious differences has been the debate concerning the 'Equal Opportunity Program'".<sup>57</sup> This, however, should not be taken as a refutation of the argument that there was a serious linguistic division concerning at least the education provisions of Robichaud's 'Program for Equal Opportunity'.

Bill No. 137 proposed many changes in the educational structure of New Brunswick including the reduction to thirty-three school boards and a redefinition of the powers of the Minister of Education and the local school boards. The main item of contention for New Brunswick teachers, however, was the proposal for a uniform provincial salary scale, as opposed to a minimum provincial salary scale. In effect, Bill No. 137, and in particular the uniform salary scale, was seen as one of the major debates of the entire program of reform.

After much internal debate, the NBTA came out against the proposed uniform salary scale. In its brief in December 1965,<sup>58</sup> the Association stated that it could accept a provincial salary scale provided the government include adjustments to the salary scale for teachers in

isolated areas and in areas with a high cost of living. In addition, the Schools Act should allow local school boards to raise the necessary funds to implement a supplementary scale for all teachers in their areas provided this supplementary scale not exceed 5% of the total cost of salaries in that district based on the provincial scale.

This position was, at the Association's own admission in an Amendment to the brief, not supported by all its members, and rejected by l'Association des Instituteurs Acadiens (AIA). The extent and nature of the dissent on the NBTA's stand concerning Bill No. 137 is shown in Table 5-1, supplied by the NBTA to the Law Amendments Committee as an Annex to its brief.

The noteworthy element in the table is the geographical linguistic division of the votes registered. Anglophone districts, namely St. Andrews, Fredericton, Saint John and Florenceville, voted 1616 to 11 in favor of the NBTA brief. Francophone districts, namely Caraquet and Buctouche, voted 228 to 5 against the NBTA brief. Two other francophone regions, Edmundston and St. Leonard, came out in support of the NBTA brief, with reservations. The position of the teachers from the Edmundston and St. Leonard regions stems from two key factors. First, most of the francophone teachers from those districts were not members of the francophone teachers association (AIA) and therefore not influenced

TABLE 5-1  
 VOTES REGISTERED FOR AND AGAINST  
 NBTA SUBMISSION TO  
 LAW AMENDMENTS COMMITTEE,  
 BY REGION

	<u>For</u>	<u>Against</u>
<u>Largely francophone</u>		
Buctouche	5	103
Caraquet	--	125
<u>Bilingual, majority francophone</u>		
Bathurst	50	105
Campbellton	53	115
<u>Bilingual, majority anglophone</u>		
Moncton	367	158
Newcastle	162	58
<u>Largely anglophone</u>		
Florenceville	254	1
Saint John	800	--
Fredericton	422	10
St. Andrews	140	--
	2253 (69.4%)	675 (20.8%)
	<u>FOR WITH RESERVATIONS</u>	
Edmundston	200	
St. Leonard	116	
	316 (9.7%)	

Source: NBTA Brief to the Law Amendments Committee, Dec. 1965

by that association's strong stand against the NBTA brief. Secondly, teachers in the urban core of both areas, Edmundston and Grand Falls, were well paid due to municipal tax revenues from large resource-based industries, and therefore sympathetic to the NBTA's insistence on a minimum rather than uniform salary scale. The more bilingual regions of Moncton, Newcastle, Campbellton and Bathurst, split their votes, with the predominantly anglophone districts favoring the NBTA brief by a 2 to 1 margin, while the two predominantly francophone districts rejected the brief by a 2 to 1 margin. Thus, with the exception of the qualified support of the NBTA brief from the Edmundston and St. Leonard regions, the position of teachers to the NBTA's brief was directly tied to linguistic divisions. Although the voting pattern in bilingual districts cannot be verified (for example, some anglophone teachers could have voted against the NBTA brief and some francophone teachers could have voted in favor), it is highly unlikely that much of this happened, given the pattern shown in the unilingual areas.

Following the rejection of the NBTA's brief by francophone teachers and the AIA, the NBTA Executive revised its position and refused even the initial compromise position stated above. The compromise refers to the NBTA's acceptance of a provincial salary scale with a provision for a 5% supplement financed by local funds in addition to an



adjustment in the provincial scale for high-cost areas. This was considered to be an acceptable compromise between anglophone members' demand for a minimum provincial scale without any maximum on local supplements and the francophone teachers' insistence on a uniform provincial salary scale, without any local supplements whatsoever even if financed by local funds. Since the AIA had withdrawn its support for the initial compromise position, the NBTA Executive amended its initial brief to read as follows:

...our Association is opposed to a provincial salary scale except as a scale of provincial minimums. We are therefore not prepared to accept a provincial salary scale as outlined in Bill 137.<sup>59</sup>

Because the attempt at compromise failed, the NBTA was thus extremely polarized on this issue.

Another indication of this linguistic division among the educators of New Brunswick can be seen in the comments of some leading educators on the Byrne Report, published in the Educational Review. Frère Méderic, generally quite supportive of the Byrne Report, warned the NBTA to take into account the demands and needs of all its members and to be receptive to the new legislation.

Je comprends que l'attitude de la N.B.T.A. en face du Rapport Byrne soit difficile, épineuse. L'association est au service de tous ses membres, les moins bien partagés comme les autres. Elle doit éviter de prendre

des positions qui lui aliéneraient l'esprit de quelques milliers d'instituteurs.

Je souhaite que la N.B.T.A. sorte de cette épreuve plus forte, plus unie que jamais afin de tirer parti au maximum de la nouvelle législation pour le plus grand bien de la profession et de la jeunesse de cette province.<sup>60</sup>

Lawrence Dow, on the other hand, saw things in a different light and considered the Byrne Commission to be misinformed and dangerous for the future of education in New Brunswick.

Constant vigilance through these days of unprecedented opportunities and uncommon dangers must be the watchword of our NBTA for the benefit of the more than 6,000 members. Our Association must muster all the resources at its command to ensure that our rights and privileges are not jeopardized by harmful legislation stemming from the Byrne Commission Report.<sup>61</sup>

J. Lorne McGuigan argued much the same although not quite in so dramatic a fashion:

This report shows that the Commission approached the problem of education with a sincere attitude and with generally acceptable aims. However, a lack of information, a lack of knowledge of education and its problems, and an over-riding monetary concern have left the recommendations sterile and unacceptable to most people who are sincerely concerned about the future of education in this province. It is to be hoped that these proposals will not be adopted merely because they are new and promise Utopia.<sup>62</sup>

Although it cannot be claimed that these three articles necessarily reflect the opinions of both the anglophone and francophone teachers of New Brunswick, they are particularly revealing when considered in relation to Table 5-1.

Along with many other Bills, the Schools Act was withdrawn, modified, and later reintroduced as Bill No. 22. The changes made in the Act satisfied some of the critics of Bill No. 137 but only on what were considered minor points. The intent and the important provisions of the original Bill remained intact. There was no change to the uniform salary scale and thus no change in the NBTA's position on the proposed educational reforms.

#### Others

There were other presentations and petitions made to the government concerning the Byrne Report and the subsequent legislative package. Various church groups petitioned the government to include a non-sectarian clause in the Schools Act. The New Brunswick Branch of the Canadian Association of Social Workers welcomed the progressive nature of the Byrne Report.<sup>63</sup> Later they came out in support of the general intent of Bills No. 120 and No. 121 dealing with social services although they had reservations concerning the wording of certain passages in the Bills and certain administrative details.<sup>64</sup>

Edward Byrne himself publicly came out strongly in favor of the proposed legislation although the Government had rejected the concept of administrative commissions which had

been considered an integral part of the 'package deal' by the Byrne Commission. Robichaud's opponents had argued that the rejection of certain elements of the Byrne Report, such as the administrative commissions, invalidated the remainder of the 'package'. While Byrne may have preferred the adoption of the entire Report, he nevertheless supported the 'Program for Equal Opportunity'.

An important element in the reactions to the Byrne Commission and subsequent reforms is the petition of some thirty thousand names presented to the Legislative Assembly in January 1966. Collected by a Fredericton-based group, this petition implored the Legislature not to proceed with the implementation of the Byrne Report, and in particular Bill No. 118, the Assessment Act. The petition became the object of much debate both in and out of the Legislature concerning the representativeness of the signatures. The Liberals charged that the organizers of the petition were Progressive Conservatives, although the Committee which collected it claimed to be independent. More important, however, is the geographical distribution of the signatures on the petition, shown in Table 5-2. From the table, it can be seen that the support for the petition was concentrated in a few anglophone counties, notably York, where Fredericton is situated. In effect, the population of York County was probably the most opposed to the reforms. Aunger states that

TABLE 5-2  
GEOGRAPHICAL DISTRIBUTION OF  
SIGNATURES ON PETITION

<u>Constituency</u>	<u>Signature on Petition</u>	<u>% of Constituency</u>	<u>1961 Population</u>
Albert	470	3.7	12,485
Carleton	4,078	17.7	23,507
Charlotte	1,690	7.2	23,285
Kent	NIL		
Kings	NIL		
Madawaska	49	0.1	38,983
Northumberland	414	0.8	50,035
Queens	1,045	8.9	11,640
Restigouche	365	0.9	40,973
Saint John City	2,739	4.9	55,153
Saint John County	821	2.4	34,098
Sunbury	455	2.0	22,796
Victoria	1,297	6.6	19,712
Westmorland	1,488	2.9	49,839
Moncton City	2,487	5.6	43,840
York	10,946	20.7	52,672

Source: New Brunswick Synoptic Reports, February 3, 1966,  
1715.

although the opponents of the 'Program for Equal Opportunity' tried to downplay the linguistic composition of their group by organizing an advertising campaign in both languages and electing an Acadian as chairman of their coordinating committee, the composition of this group was "almost entirely English".<sup>65</sup>

### Conclusion

As seen in this chapter, the reactions to the changes stemming from the Byrne Commission were numerous and at times emotional. The two major parties, the Progressive Conservatives and the Liberals, were for the most part diametrically opposed. Municipal associations and municipalities, notably the Counties, opposed many of the proposed changes although there was no unanimity on most issues. Business associations such as the Canadian Manufacturers Association were generally favorable to the reforms while large industrial concerns such as the Irving enterprises, who stood to lose from the abolition of tax concessions, reacted violently to the proposed changes. The daily newspapers were also split, with only l'Evangéline remaining a staunch supporter of the 'Program for Equal Opportunity' throughout the debate. The NBTAA was also divided on the crucial educational reforms.

A cursory analysis of the situation in New Brunswick might lead to the conclusion that the demand pattern in relation to the Byrne Commission was fragmented. However, a more detailed analysis of the pattern of demands as well as a thorough understanding of Salisbury's model will show that the demand pattern can appropriately be categorized as integrated regardless of the 'common-sense' meaning of that word. Moreover, it was of a broad scope.

As noted earlier, the concept of 'integrated demand pattern' does not necessarily imply a 'unique demand pattern' or the absence of conflict in society; it refers to the unity of action among some of the groups making representations upon the decisional system. Salisbury refers to class struggle as a situation of integrated demand pattern. Thus, the concept of integrated demand pattern does not imply that all groups making representations on any particular issue are in agreement; only that there is substantial unity of action, though not necessarily organized, among some of the major groups making demands upon the decisional system.

In New Brunswick, this 'unity of action' is evident in the reaction of the Acadian population to the proposed reforms. Although there were some Acadians who opposed the 'Program for Equal Opportunity', there was nevertheless substantial agreement and strong support among various Acadian groups for that program. Moreover, most of the opposition to the reforms came from the anglophone population of New Brunswick. It is evident that the linguistic factor was important in the debate on the implementation of the Byrne Report's recommendations. The NBTA situation was perhaps the best example of the linguistic division, but it was not the only one. Support for the petition against Bill No. 118, the position of the daily newspapers and reactions from municipalities all indicate much stronger support among

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the Acadians than among the anglophones. This is not to suggest that there was no support for the Program for Equal Opportunity among some elements of the anglophone population, only that it was by no means as strong as among the franco-phone element. Also, it is not suggested that the elites fought the battle over the Byrne Commission and the 'Program for Equal Opportunity' on this issue, although it was probably less hidden than Auger suggests. What is being argued is simply that there was a deep division between the Acadians (or most of the Acadians) and a large segment of the anglophone population of New Brunswick over this very crucial policy issue. Moreover, this linguistic division was evident to both political and non-political policymakers in New Brunswick. This division stems from the redistributive nature of the 'Program for Equal Opportunity'. The main objective of this program was the guarantee of adequate if not equal general and local services to all citizens of New Brunswick, which meant the utilization of more provincial revenues to improve services in the rural and northern areas of the province. Given that the Acadian regions were among the poorest in the province, they were seen as being the main beneficiaries of those reforms.

The New Brunswick situation clearly does not satisfy Salisbury's example of the ultimate in an integrated demand pattern "where one class or group, homogeneous in its



own values, is the only effective actor in the play."<sup>66</sup> On the other hand, it also clearly does not satisfy Salisbury's example of the ultimate in a fragmented demand pattern, which is "an extremely heterogeneous disaggregated array of interests each pressing for its claim for an authoritative decision on the same issue independently of all the others."<sup>67</sup> The New Brunswick situation obviously falls somewhere between those two extremes. The problem that now arises is whether it is possible to categorize it as either fragmented or integrated. If the concept of integrated demand pattern is extended to include situations where a few groups have achieved a substantial compatibility of substantive demands as well as some degree of unity, then the New Brunswick situation can appropriately be categorized as integrated. Salisbury clearly accepts this broader definition when he refers to class struggle as an example of integrated demand.<sup>68</sup> Moreover, he also uses the expression "one or a few groups"<sup>69</sup> in reference to integrated demand patterns.

Salisbury's concept of integrated demand pattern was further developed in Chapter 1 to distinguish between patterns of 'limited' and 'broad' scope, depending on whether it was associated with a few or many issues. On this point the categorization of the New Brunswick situation does not present any difficulties. The 'Program for Equal

Opportunity' dealt with almost all public services in the province and resulted in the enactment of over one hundred pieces of legislation. Some of the reactions may have been limited in scope in that they dealt with only one or a few elements of the proposed changes; however, the broader character of the reorganization was rarely absent from the concerns of those making representations to the government. Moreover, most of the important groups pressing their demands upon the government explicitly recognized the larger redistributive and multi-faceted nature of the program being proposed. The major debate stemming from the government's proposed Assessment Act bears this out. Thus, the demand pattern associated with the Program for Equal Opportunity was clearly of broad scope.

## FOOTNOTES

1. Paul Pross, Duality and Public Policy: A Conceptual Framework for Analyzing the Policy System of Atlantic Canada (Halifax: Institute of Public Affairs, Dalhousie University, 1980).

In general, the policy role of political parties has diminished throughout the twentieth century to the point where both the extra-parliamentary party and back-bench members are seen primarily as instruments for obtaining and maintaining the power of a small leadership cadre. Their capacity to directly influence policy is very limited, being superseded by a highly centralized apparatus which focuses on the leader. (172)

2. For a detailed analysis of electoral results in New Brunswick for the period 1908-1978, see Philippe Doucet and Jean-Guy Finn, "Eléments de réforme du système électoral du Nouveau-Brunswick", Journal of Canada Studies, 18, No. 4 (Winter 83-84), 132-153.
3. Confidential interviews.
4. For more on the party platforms, see D.A. Woodward, History of New Brunswick Provincial Election: Campaigns and Platforms 1866-1974 (Toronto: Micromedia, 1976).
5. Patrick J. Fitzpatrick, "New Brunswick: The Politics of Pragmatism", 131-132.
6. See Douglas Ashford, "Reorganization of British local government: A policy problem", Local Government Studies, 2, No. 4 (October 1976), 1-18.
7. T.J. Plunkett served as consultant to the Union during this period. For his views on the proposed reorganization, see Plunkett, "Royal Commission on Finance and Municipal Taxation in New Brunswick."
8. Union of New Brunswick Municipalities, Brief to the Law Amendments Committee of the New Brunswick Legislative Assembly (re Bill 140), January 21, 1966. The briefs to the Law Amendments Committee are in the Legislative Library, Fredericton, New Brunswick. Hereinafter all briefs to the Law Amendments Committee will be referred to as Brief to LAC.
9. Union of New Brunswick Municipalities, Brief to LAC (re Bills 120 & 121), January 22, 1966.

10. Union of New Brunswick Municipalities, Brief to LAC (re Bill 22), May 2, 1966.
11. Union of New Brunswick Municipalities, Brief to LAC (re Bill 116), January 21, 1966, 6.
12. Union of New Brunswick Municipalities, Brief to LAC, (re Bill 12), May 2, 1966.
13. New Brunswick Rural Municipalities Association, Brief to LAC, March 1, 1966, 1-2.
14. Ibid., 52.
15. D.C. Rowat, The Canadian Municipal System (Toronto: McClelland and Stewart, 1969), 159.
16. L'Évangéline (Moncton), December 11, 1965, 3.
17. Madawaska County, Brief to the Royal Commission on Finance and Municipal Taxation in New Brunswick, December 19, 1962, (New Brunswick Public Archives, RS179, RBC 13/9).  
N.B. Hereinafter all briefs to the Royal Commission on Finance and Municipal Taxation will be referred to as Brief to Byrne... (NBPA...).
18. Moncton Times, November 20, 1964, 1-3.
19. Ibid., February 5, 1966, 1-3.
20. Cities of New Brunswick, Brief to LAC (re Bill 118), January 27, 1966, 1.
21. See Moncton Times, December 10, 1965, 2 and December 23, 1965, 3.
22. Ibid., January 5, 1966, 3.
23. For Teed, see Daily Gleaner (Fredericton), February 7, 1964, 1. For Weyman, see Moncton Times, January 21, 1966, 2.
24. Moncton Times, December 23, 1965, 3.
25. Daily Gleaner (Fredericton), October 26, 1964, 4.
26. Moncton Times, October 26, 1964, 3.
27. Ibid., November 23, 1964, 5.

28. For Shippegan, see Moncton Times, December 18, 1965, 3.  
For Caraquet, see l'Evangéline (Moncton), December 30, 1965, 3.
29. l'Evangéline (Moncton), December 30, 1965, 3.
30. For Chatham, see l'Evangéline (Moncton), December 20, 1965, 3. For Shediac, see Moncton Times, December 23, 1965, 3.
31. For example, see the editorial of the Daily Gleaner (Fredericton) on February 10, 1965 concerning the Brief by the New Brunswick section of the Canadian Manufacturers' Association.
32. Daily Gleaner (Fredericton), December 8, 1965, 4.
33. Ibid., December 10, 1965, 4.
34. See Belliveau, Little Louis and the Giant K.C.
35. See Michael Wardell, "Battle Map of New Brunswick", Atlantic Advocate, February, 1966, 14-16.
36. Telegraph-Journal (Saint John), December 8, 1965, 4.
37. Ibid., November 17, 1965, 4.
38. Ibid., June 14, 1966, 4.
39. Moncton Times, October 22, 1964, 4.
40. Ibid. November 20, 1965, 4.
41. See l'Evangéline (Moncton) November 18, 1965, 4 and November 19, 1965, 4.
42. Ibid., January 6, 1966, 4.
43. See Daily Gleaner (Fredericton), February 3, 1965, 3.
44. See l'Evangéline (Moncton), June 29, 1966, 2.
45. New Brunswick Federation of Labour and Canadian Union of Public Employees (N.B. Division), Brief to LAC, December 10, 1965.
46. See Telegraph-Journal (Saint John), December 10, 1964, 2.
47. Canadian Manufacturers' Association (N.B. Branch), Brief to Byrne, May 24, 1963, (NBPA RS179 RBC 18/3)

48. Canadian Manufacturers' Association (N.B. Branch), Brief to LAC, December 10, 1965.
49. See Moncton Times, February 11, 1965, 2.
50. National Sea Products Limited, Brief to Byrne, (NBPA RS 179 RBC 14/7).
51. New Brunswick International Paper Company, Brief to Byrne, May 24, 1963 (NBPA RS179 RBC 17/2).
52. Fraser Companies Limited, Brief to Byrne, May 1963 (NBPA RS 179 17/4).
53. See Solicitors for Irving Refining Limited, Irving Pulp and Paper Limited, J.D. Irving Limited, Brief to LAC, December 8, 1965. See also Irving Oil Company, Ltd., Brief to LAC, December 10, 1965.
54. As a result of the recommendations on the Task Force on Municipal Structures and Financing (1972), all tax concessions were terminated by 1981.
55. See Belliveau, Little Louis and the Giant K.C.
56. See also Hunt and Campbell, The Art of the Industrialist.
57. Aunger, In Search of Political Stability, 139. See also p: 152.
58. New Brunswick Teachers' Association, Brief to LAC, December, 1965, 2.
59. Amendment to NBTA Brief to LAC.
60. Frère Méderic, "Aux grands maux, les grands remèdes", The Educational Review, LXXIX, No. 3 (March 1965), 16.
61. Lawrence F. Dow, "Teachers and the Byrne Report: Case History and Comment", The Educational Review, LXXIX, No. 3 (march 1965), 35.
62. J. Lorne McGuigan, "Report on Byrne Royal Commission", The Educational Review, LXXIX, No. 3 (March 1965), 26.
63. See Telegraph Journal (Saint John), October 19, 1964.
64. New Brunswick Association of Social Workers, Brief to LAC, January 25, 1966.
65. Aunger, In Search of Political Stability, 139-140.

66. Salisbury, "The Analysis of Public Policy", 165.
67. Ibid....
68. Ibid., 167..
69. Ibid., 172.

## CHAPTER 6

### DEMAND PATTERN - NOVA SCOTIA

#### Introduction

This chapter continues the discussion of demand patterns begun in the preceding chapter, only this time in relation to policy issues stemming from the Graham Commission. As noted earlier, demand refers to representations expressed to or perceived by the political system in relation to a particular issue. In the case of Nova Scotia, the pattern of these demands is hypothesized to have been integrated and of limited scope, given that the policy response of the Nova Scotia government has been categorized as self-regulatory.

Two of the factors that were considered important in the case of New Brunswick, the press and the teachers' association, are not dealt with at length in this chapter. The situation with the teachers' association in New Brunswick (NBTA) represented an example of a serious linguistic split over one of the major Bills in the 'Program for Equal Opportunity'; such was not the case in Nova Scotia. In addition, the role of the press in Nova Scotia in relation to the Graham Commission was limited in comparison to the role played by the press in New Brunswick. For example, the Chronicle-Herald, Nova Scotia's major daily, did not have an



editorial on the legislation concerning assessment and finance debated in the House in June 1975. Furthermore, on April 1, 1976, the day chosen by the Graham Commission for the reforms to take effect, the Chronicle-Herald was strangely silent on the Graham Commission.

### Political Parties

Nova Scotian politics during the period of the Graham Commission involved three major political parties, in contrast to New Brunswick's two. In addition to the Liberals and the Progressive Conservatives, the New Democratic Party elects members to the Legislature, although it has not yet come close to forming a government or even the official opposition. However, by electing two or three members to the House and polling fifteen to twenty percent of the popular vote, the New Democratic Party is a sizeable political force and has to be included in any discussion of the position of political parties in Nova Scotia on the Graham Commission: As argued in Chapter 5, the role of political parties per se is a minor one in the process of policy-making in a parliamentary system.<sup>1</sup> However, their role in the articulation of demands necessitates the examination of the position taken by the three major parties in Nova Scotia. Although municipal reform did not become a major element in

any party's political platform, the political parties' reactions are nonetheless important. An exception here is the Liberal Party's promise for provincial assumption of a larger share of the costs of education in 1974.

As seen in Chapter 4, the Liberal government was cautious and slow in proceeding with the implementation of the Graham Commission. In addition, the government made it clear that certain elements in the Graham Report, notably the issue of amalgamations, were not acceptable. However, the extent to which the Liberal party was willing to venture into municipal reform is not clear, except that it was obviously unwilling to institute reforms without municipal support. Furthermore, the party was not united in its perception of the need for municipal reform.

The position of Premier Regan on the Graham Commission was one of extreme caution and even rejection of the major principles or directions proposed. In an address to the House on the three Bills introduced by the government in June 1975 (Bills No. 127, 141, and 146), the Premier made it clear that he was not in support of the idea of centralization and of larger governmental units in general.<sup>2</sup>

It should be noted that two of the major recommendations of the Graham Commission, that of the transfer of responsibility for general services and the reorganization of the sixty-five municipal units into eleven large counties,

were proposing more centralization and larger units. Aside from the proposals regarding financing, Regan was not enthusiastic towards the proposals for municipal reform contained in the Graham Report.

However, there are indications that others in the Liberal cabinet were more inclined towards change. During their tenures as Minister of Municipal Affairs, both J. Fraser Mooney and Glen Bagnell left the impression that although the process would be slow and cautious, more municipal reform would be forthcoming in addition to the takeover of the residential portion of the shareable costs of education and the Assessment Act. At one point in the debate, Mooney made reference to the fact that it was a Liberal government in New Brunswick that had brought about municipal reform and that the Liberal government in Nova Scotia would also bring about major change. The 1978 Position Paper by the Department of Municipal Affairs, issued when Bagnell was Minister, also suggested more municipal reform would be forthcoming in addition to the proposed changes in municipal finance. This inclination for municipal reform on the part of the Minister of Municipal Affairs suggests that the Department of Municipal Affairs was favorable to overall municipal reform and that general statements of policy intentions, although clearly stating that it was not 'official' government policy, did not necessarily require Cabinet

approval. The importance of this discrepancy between the Department of Municipal Affairs and the government as a whole will be elaborated upon in Chapter 7 when policy structures are discussed.

The differences over municipal reform within the Liberal caucus is also evident by the debate in the House over the few Bills introduced by the government pertaining to municipal reform, and in particular Bill No. 141 relating to the provincial takeover of non-residential property tax. Ron Wallace, a Liberal backbencher from Halifax, argued openly against the government's manner of bringing about reform.<sup>3</sup> He argued that the government should not rush to the passage of the Assessment Act and that the population and the legislature should be given more time to study the implications of any proposed modifications to provincial-municipal relations. Although not openly speaking out against the government, other backbenchers were reputed to be in disagreement over Bill No. 141.<sup>4</sup>

On the issue of amalgamations, the position of the Progressive Conservative Party was similar to that of the Liberal Party, which was that changes in political boundaries not proceed without the consent, or at least the consultation, of the municipal units involved. Roland Thornhill, the Party's critic for municipal affairs, stated the Party's position.

... we have examples in other areas of Canada where you have had the imposition of amalgamations, of regional government, of larger councils upon people who definitely did not want it, who had not supported it and as a result, municipal government in those particular areas is in a complete state of chaos and disarray, and I will advise this government to avoid that particular pitfall and to have deep and continuing consultation with the various areas of the province before there is any change with regard to the municipal boundaries.<sup>5</sup>

Thus, the rationalization of political boundaries, and the increased efficiency that the Graham Commission argued would stem from it, was no more politically palatable to the Progressive Conservatives than to the Liberals.

Although in agreement with the position of the Liberals that centralization was not the answer to municipal problems, the Progressive Conservatives argued for a more rapid transfer to the provincial government of the financial responsibility for the general services. The party leader, John Buchanan, argued that the costs of the administration of justice and welfare should not be borne by residential taxpayers.

We on this side of the House believe that the cost of education, the cost of welfare and the cost of the administration of justice bear no relation whatsoever to residential taxpayers...and they should be totally relieved of that kind of obligation...<sup>6</sup>

As with the Liberals, the Progressive Conservatives were not at all interested in the provincial government's assumption

of the administrative responsibility for those general services, only in the takeover of the financial responsibility.

The Progressive Conservatives were also opposed to the legislation brought in by the Liberals in 1975 on the grounds that it would give too much power to the Cabinet. Instead of a provincial assessment branch responsible to the Department of Municipal Affairs, they proposed an Assessment Commission, responsible to the House. They were also opposed to Bill No. 141 and Bill No. 146, which would have given the provincial government control of the non-residential property tax, part of which it would have rebated to the municipalities, and the power to approve municipal budgets. The Progressive Conservatives' plan was to provide additional financial help without taking over the non-residential tax base and without imposing any additional provincial controls. After it formed the government in 1978, the Progressive Conservative Party brought in the fiscal reforms proposed in the 1978 Position Paper of the previous government, as well as increased grants for education following the Walker Commission.

Of the three parties in the House, the one most favorable to municipal reform was the New Democratic Party. Jeremy Akerman, the party leader, supported the principle of the Bills introduced by the Liberals in 1975, although he

could not vote in favor of Bill No. 141 (Non-residential Property Tax Act) because of the manner in which it was drafted. On the matter of amalgamations, he considered that a compromise of twenty or so municipal units would be acceptable instead of the eleven proposed by the Graham Commission.<sup>7</sup> However, Akerman argued that care must be taken so as not to create counties that were too large and also not to draw municipal boundaries which would be inappropriate for the Acadian regions of the province.<sup>8</sup>

#### Union of Nova Scotia Municipalities

In contrast to the situation in New Brunswick, where the Union of Municipalities was a 'weak' federation of three other municipal associations, the Union of Nova Scotia Municipalities was the only association of municipalities in Nova Scotia, embracing all municipal units in the province, both urban and rural. As such, it could claim to speak on behalf of all municipalities in the province, although each member could have views that differed with the Union. In its brief to the Select Committee, the Union (or rather, a Committee of the Union) made it clear that the position it was putting forward had substantial support.

The Union consists of sixty-five member municipal units representing all the cities, towns and municipalities in the Province.

It must be recognized that it is not possible to get a unanimous position of all these members on all the matters dealt with in the Graham Report. The Committee has therefore confined itself to those points of general interest and importance which seemed to produce a consensus on the part of the majority of the members of the Union. Individual units will, of course, be free to make their own submissions and many have already done so. The Committee urges, however, that the following submissions be accepted as representing a consensus of the opinion of the Union and the majority of its individual members.<sup>9</sup>

This position was accepted by the government, which regarded the Union as the legitimate spokesman of municipal interests.

The pivotal role of the Union of Nova Scotia Municipalities had been implicitly recognized by the Graham Commission by the manner in which the Commission solicited briefs from municipal units. In its quest for detailed information on all matters pertaining to provincial-municipal relations and local government in general, the Graham Commission had prepared a lengthy questionnaire as a 'guide' for the preparation of municipal briefs. Moreover, the Commission requested the Union's response before those of individual member units. The result was that many municipalities, after having seen the Union's brief, were inclined to concur. Most of the individual municipal briefs contained many responses which read as follows: "same as Union brief". Although not denying that each member unit had the freedom to respond in any way it saw fit, the fact that the Union's



brief was known beforehand undoubtedly produced more uniformity among municipal units than would have occurred otherwise. The detailed nature of the questionnaire also contributed to the reliance on the Union brief as a guide for the preparation of individual municipal briefs. Thus, the Graham Commission may have contributed to the perception of a consensus among municipal units.

The first proposal by the Union of Nova Scotia Municipalities was to "urge that Government involve the Union at the earliest possible time in any contemplated changes in the municipal government structure in the Province that may result from the recommendations of the Graham Report".<sup>10</sup> This demand for consultation was reiterated after the government introduced three pieces of legislation in June 1975 (Bills No. 126, 141 and 146) which the Union found objectionable.<sup>11</sup> The government and the Union were later to reach an agreement on the Assessment Act which 'allowed' the government to proceed with the passage of this Act.<sup>12</sup> However, the other two Bills were eventually left to die on the order paper because of the Union's opposition.<sup>13</sup> The result of this first attempt at municipal reform was the creation in April 1976 of the Joint Task Force consisting of the Union of Nova Scotia Municipalities and the Department of Municipal Affairs which was mandated to study and plan municipal reform. Thus, the Union's earlier demand for

active participation in the implementation of whatever municipal reform would result from the Graham Commission was achieved.

Because of the general nature of the Union's submission, its recommendations concerning amalgamations were of necessity vague. The Union indicated it was in principle favorable to boundary changes, although not the specific changes proposed by the Graham Report.

As a result of the regional meetings above referred to and the submissions of many individual municipal units, the Committee is convinced that there is very strong resistance to the concept of only eleven municipal county governments as recommended in the Graham Report. However, it is the consensus of the members that a reduction in the present number of municipal units is desirable.<sup>14</sup>

The Union's interpretation of some desire for boundary changes among municipalities will be shown to have been accurate when the position of individual municipalities are examined later.

The Union strongly supported the Graham Commission's proposal that the province assume the total costs of the general services, as well as the assessment function. However, the Union urged that local (municipal) involvement be maintained in the administration of these services, notably education and social services. Housing and the administration of justice would not necessarily need

municipal involvement, although the use of "local people" was urged for housing.<sup>15</sup>

The Union also supported the Graham Commission's argument that the number of grants be reduced and that these should be replaced by unconditional grants. In addition, it was in favor of the province taking over the revenues from industrial assessment, but not from commercial assessment.

The Union agrees that the Province will require additional revenue from real property taxation if it assumes the very costly burdens of education, social services, health and justice. Therefore, we do not disagree with the recommendation that the Province should take over industrial assessment, but we do disagree with the recommendation that the Province should take over commercial assessment.<sup>16</sup>

This position was reiterated when the province proposed to assume only the cost of education but nevertheless proposed to take over both commercial and industrial assessment. As noted earlier, this forced the government to withdraw Bills No. 141 and 146 and to set up the Joint Task Force.

If the Union was hesitant in its endorsement of municipal reform, stressing the need for changes in provincial-municipal finance and some boundary changes, the non-political municipal administrators were not. The Association of Municipal Administrators of Nova Scotia gave its wholehearted support to the Graham Commission.

The Association strongly supports the principles behind the recommendations of the Graham Commission for the improvement of

municipal government of Nova Scotia. The basic restructuring, if implemented, should make it possible for municipal administrators to provide better services to the people of the province.

... Generally, we consider the Report to be a strong forward step in ensuring better municipal government.<sup>17</sup>

The Association even had doubts about allowing the quasi-municipal units (towns and villages) to provide services. This discrepancy between the Union, which represents the elected representatives, and the Association of Municipal Administrators reinforces the argument made by Plunkett and Hooson that the Graham Commission was oriented towards the service-delivery conception of local government, to the neglect of its more political functions.<sup>18</sup> With a service-delivery approach, it is not surprising that it struck a more responsive chord among municipal administrators than among municipal elected officials. It should be noted that the municipal finance officers of Nova Scotia also supported the general thrust of the Graham Report, albeit with more reservations than the municipal administrators association.<sup>19</sup>

#### Rural Municipalities

Although not all rural municipalities responded by presenting briefs to the Select Committee, those that did cannot be said to have opposed municipal reform in general.

While accepting some of the proposals of the Graham Commission, and in particular those relating to increased provincial funding, all rural municipalities were opposed to the recommendation that the number of municipal units be reduced to eleven. In fact, the briefs were mainly concerned with the question of municipal boundaries, to the neglect of the other aspects of the Report.

With the exception of the Clare/Digby area, all the briefs from rural municipalities proposed that county lines not be disturbed. The Municipality of Queen's County, for example, proposed the integration of towns and cities with the existing counties, or the two districts in the six counties that are split, to form eighteen municipal governments instead of sixty-five then existing.<sup>20</sup> Although this proposal contained more than eleven counties, it was not incompatible with the broad goals of the Commission's recommendations for territorial reorganization, namely larger municipal units which embraced both urban and rural areas.

Other rural municipalities, while not necessarily proposing a province-wide reorganization, recommended amalgamations within their county. This was true of Colchester,<sup>21</sup> Annapolis<sup>22</sup> and Antigonish.<sup>23</sup> The Municipality of the County of Annapolis was willing to include the District of Digby; the latter concurred. The Cape Breton County Council suggested the reduction of the seven municipal units in that county to three.<sup>24</sup>

Some municipalities, notably Kings,<sup>25</sup> the County of Halifax<sup>26</sup> and the District of Barrington<sup>27</sup> preferred the existing arrangement although Halifax County was willing to discuss the concept of regional services. Two predominantly francophone municipalities, those of Clare<sup>28</sup> and Argyle,<sup>29</sup> preferred the status quo but could accept amalgamation with both the town and district of Yarmouth. Clare, however, insisted that the new municipality be bilingual and argued for the status quo on the basis of being the only real French-speaking municipality in the province, with a population that was 95% francophone. Argyle, on the other hand, did not stress the language issue and did not ask that Clare be included in the proposed new municipality of Yarmouth.<sup>30</sup>

Most of the briefs from the rural municipalities were favorable to the provincial takeover of the cost of the general services. Their position on the administration of these services was either not stated or else they favored the retention of 'local input'; that is, of municipal participation. The ambiguity of that position is exemplified by the Cape Breton County Council's brief which argued the following:

We completely agree that the Province should assume responsibility for the five general services of Education, Health, Welfare, Justice and Housing.

This indeed was one of the basic tenets of our brief to the Commission.<sup>31</sup>

What the Council meant by "assuming responsibility" is not clear in the brief because at one point it refers to the need for some local input as well as for representation on some of the regional boards proposed to administer those general services. Although the right to name some of the board members does not necessarily imply much municipal participation, it does suggest that the Cape Breton County Council was not proposing to completely disassociate itself from the delivery of those services. However, it would no longer have any financial responsibility for them.

#### Cities and Towns

The position of the cities and towns was similar to that of the rural municipalities, generally endorsing the provincial takeover of the cost of the general services but being somewhat vague on the issue of the administrative responsibility for such. There were, however, some exceptions. The Town of Amherst, in a short two-page brief, appears to accept the Graham Report with a few minor exceptions:

...and generally it favors changes which will remove a substantial tax burden from the municipal taxpayers and we hesitate in being critical of the Report as this could possibly mean a delay in action to reduce this burden...<sup>32</sup>

Similarly, the Town of Lockeport endorsed the general thrust of the Report:

In summary, because of our limited resources the recommendations of the Graham Royal Commission provide a ray of hope and therefore we generally support the report.<sup>33</sup>

The Town of Kentville also suggested that the proposed reallocation of functions could be agreed to, thus enabling the present system to operate properly with some minor changes.<sup>34</sup> One of these changes would have been the creation of a township from the present Kings County and the towns therein.

As with the rural municipalities, the main concern of the cities and towns was the issue of municipal boundaries. Two of these, Hantsport and Windsor, along with the two rural municipalities of East Hants and West Hants, made a joint brief asking for the creation of a new municipal unit comprising all of the geographical unit known as Hants County, which included approximately 30,000 people.<sup>35</sup> East Hants' support for this proposal was conditional on the provincial government's intention to implement the recommendations of the Graham Commission regarding boundaries. West Hants, however, continued to support the concept of amalgamation for Hants County.<sup>36</sup>

Most of the briefs presented by the towns favored, or at least accepted, the reduction of the number of



municipal units. In addition to those already mentioned, the Town of Pictou suggested that the number of municipalities could be reduced from sixty-five to thirty or so, including two or three to replace the six in Pictou County.<sup>37</sup> The Town of Lockeport, although generally favorable to the Graham Report, did not want to be included with Yarmouth and proposed the merger of Queen's County and Shelburne County and the towns contained therein.<sup>38</sup> Truro, while recognizing the need to reduce the number of municipal units, considered itself large enough, with a population of over 10,000, to remain a separate municipality.<sup>39</sup> One town, Lunenburg, voiced concern on the status of towns in the proposals of the Graham Commission.<sup>40</sup>

The brief of the Union of Nova Scotia Municipalities had suggested that municipalities on Cape Breton Island were expressing concerns on the centralizing principle contained in the Graham Report.

The Union points out to the Select Committee that many Union members, particularly from Cape Breton, have expressed a grave concern that the underlying result of implementing the Graham Report recommendations would be to centralize authority, and to deny to the vast majority of ratepayers an easy access to such centralized authority.<sup>41</sup>

This concern, however, refers to the distance between Cape Breton and Halifax, not to modifications that could be achieved within Cape Breton itself. For example, the City of

Sydney,<sup>42</sup> along with the towns of Waterford<sup>43</sup> and Glace Bay,<sup>44</sup> accepted the idea of regional government as proposed by the Graham Commission although they had reservations on the number of councillors the regional municipality would have had. Twelve councillors were considered too few to look after the interests of an area as large as the proposed county of Cape Breton. Moreover, the provincial assumption of the general services was not opposed by these three municipalities, provided local input and participation in the administration of these services was maintained. Thus, the concern over centralization in Cape Breton was not in relation to the regional structures proposed, nor even to the provincial assumption of general services provided they were administered in the region with local input, but to the fear that too many decisions would be made in Halifax.

The two cities in the major metropolitan area, Halifax and Dartmouth, differed in their opinion on the Graham Report. Dartmouth Mayor Eileen Stubbs was one of the most vocal opponents of the Report, particularly as it related to the amalgamation of Dartmouth to its larger neighbor, Halifax. In its brief to the Select Committee, the City argued that:

... the implementation of the report as it relates to the merger of Halifax-Dartmouth and surrounding areas into one metro council would not be to the financial betterment of the metropolitan taxpayers; and that the

citizens would not have adequate representation in the new municipal government.<sup>45</sup>

Dartmouth suggested that both Halifax and Dartmouth should annex adjacent lands that were then part of the rural municipality of Halifax County. Halifax, in addition to being preoccupied with the financial implications of the Graham Commission, was hesitant on the integration of urban and rural areas.<sup>46</sup> However, it supported the idea of metropolitan government for the area as proposed by the Graham Commission. In both briefs, the allocation of functions was barely touched upon.

In addition to cities, towns and rural municipalities, there exist in Nova Scotia quasi-municipal units known as Village Commissions. The ones that presented briefs to the Select Committee, notably Bible Hill,<sup>47</sup> Canning,<sup>48</sup> New Minas<sup>49</sup> and Port Williams,<sup>50</sup> were opposed to a change in their status and appeared to be satisfied with the existing system of local government, although some minor modifications could have been accepted.

#### Business and Labor

The presentations received by the Select Committee from business groups indicate that the business community was generally sympathetic to municipal reform and to the Graham Commission. The Canadian Manufacturers' Association, while

suggesting the Commission did not offer enough alternatives, was generally favorable to the Report.<sup>51</sup> It was, however, skeptical of the public's acceptance of the Report. Moreover, it was opposed to the proposed increase in corporation income taxes from ten to eleven percent. The Voluntary Planning Board, a non-political independent organization representing business and labor, suggested that the question was not whether to implement the Graham Commission's proposals, but when and how.

Voluntary planning, representing a cross section of the private sector, emphatically supports the basic changes regarding provincial-municipal arrangements, municipal taxation and education and we strongly urge implementation of the main proposals.<sup>52</sup>

The Board went even further than the Graham Commission in the reduction of municipal units, suggesting that the proposed counties of Richmond and Antigonish be joined, resulting in only ten municipalities in Nova Scotia.

One province-wide organization, the Nova Scotia section of the Atlantic Provinces Chambers of Commerce,<sup>53</sup> was extremely critical of the Graham Commission's desire for centralization. The Commission's 'objectivity' was questioned because of a lack of detailed analysis of provincial administration on the part of the Graham Commission before suggesting that the province could better administer the general services. Opposed to the concept that 'bigger is better', the association feared the remoteness of provincial

administration and suggested that municipal governments were more efficient and more accessible. Also, while accepting that sixty-five municipalities might be too much for a province the size and population of Nova Scotia, it argued that the proposed eleven municipal units were too few.

The Industrial Cape Breton Board of Trade, although not accepting all the details proposed, considered the Report to be a very significant positive step in the improvement of service delivery in the province.

The Board is fully cognizant of and applauds sincerely, the technical excellence of the Commission's report and agrees wholeheartedly with the broad general intent and the underlying philosophies and principles on which its provisions and recommendations have been based. The comments contained in this brief indicate disagreement only with some of the methods and detailed procedures used to achieve Dr. Graham's stated goals.<sup>54</sup>

Similarly, the Halifax Board of Trade<sup>55</sup> suggested that the municipal structure of Nova Scotia was outdated and that changes were needed in provincial-municipal relations. While stressing the need for local input in the delivery of the general services, it nevertheless agreed with the proposed reallocation of responsibilities between the provincial and municipal levels of government. Moreover, the Halifax Board of Trade endorsed the concept of eleven county governments, and in particular the amalgamation of Halifax and Dartmouth.

Labor in Nova Scotia was also favorable to changes in provincial-municipal relations. The Canadian Union of

Public Employees was in agreement with both the proposed transfer of responsibilities and the concept of eleven regional municipalities and argued that the Cabinet should show leadership and implement the Graham Commission's proposals for reorganization.<sup>56</sup> On the other hand, the Nova Scotia Federation of Labour endorsed the provincial takeover of the general services but recommended that towns be retained as political units with jurisdiction for urban services.<sup>57</sup> Both associations were concerned with the collective bargaining rights of provincial and municipal public sector employees and found the Report wanting in that area. Labor associations in Nova Scotia thus had reactions similar to those in New Brunswick after the Byrne Commission submitted its Report, which was to respond favorably to change with the reservation that the rights of public sector employees be preserved or enhanced in whatever new structure was put in place.

#### Others

Other groups and associations also presented briefs or otherwise reacted to the proposals of the Graham Commission. Most, however, were reacting only to the specific parts of the Reports that concerned them directly. An exception is the Community Planning Association of Canada which

commented favorably on the entire Report, although it had reservations on the proposals dealing with education.<sup>58</sup>

The various educational groups were not uniform in their comments on the Graham Report. The Nova Scotia Teachers Union accepted the proposal for the provincial assumption of the responsibility for education, although it suggested that decisions on what is to be taught and how should be taken at the local level. Local discretion on teaching policy was the Nova Scotia Teachers Union's interpretation of the Commission's proposals.

The NSTU reacts positively to the Report and we react with critical candor. We have endorsed the cardinal points on which the Report turns. Yet, much critical analysis of important points remains to be done.<sup>59</sup>

While accepting the Report's 'cardinal points', the Union was of the opinion that the proposed grant formula should be modified to give more money to the School Boards as the budgets foreseen by the Commission were considered inadequate. In addition, the Union proposed the creation of a Task Force, composed of representatives of various groups such as the NSTU and the Union of Nova Scotia Municipalities, to advise the Cabinet on courses of action to follow as well as to prepare detailed proposals for implementation. Obviously, the numerous detailed recommendations of the Graham Commission were judged not entirely acceptable.

The largest Teachers Union local, that of Halifax City, presented a brief which in part went against the provincial association's positions.<sup>60</sup> Although favorable to many points in the Report, the Halifax local feared that too much centralization would result from the proposed education structure. But it also wanted less power in the local school councils, and so suggested that the regional school boards be given more authority. The Graham Commission had in effect proposed an educational system with three major decisional centers: the provincial, regional, and school council levels. The Halifax local was also concerned that the proposed grant formula, based on the global budgeting concept, would provide insufficient funds for Halifax given the high qualifications of the teachers and the variety of programs already offered there. To remedy this situation, it was proposed that local school rates be permitted in order to enable Halifax and any other school board to pay for extra salaries or programs. Although the debate in Nova Scotia was not as fierce as in New Brunswick, it should be noted that the issue of an equal versus a minimum salary scale created the division in the ranks of the New Brunswick Teachers Association. The division in New Brunswick, however, was along linguistic lines, although there was also an element of division between the more prosperous urban areas and the less affluent rural areas.



The school boards of Nova Scotia were not as enthusiastic towards the Graham Commission's proposals as were the teachers. In its brief to the Select Committee, the provincial association suggested that the implementation of the Commission's recommendation would result in increased costs for education and it was not sure if the new structure would be beneficial.<sup>61</sup> Although in favor of the provincial takeover of the cost of education, provided that additional local rates were permitted, the School Boards Association was not in favor of the proposed administrative structure. This concern was also voiced by representatives of school boards in industrial Cape Breton<sup>62</sup> as well as southwest Nova Scotia.<sup>63</sup>

Two other positions from educational groups should be noted. Shortly after the Graham Report was submitted, it was endorsed in principle by the Home and School Federation of Nova Scotia which was undoubtedly satisfied with the concept of local school councils.<sup>64</sup> These would have operated on a school by school basis, thus giving local parents more input into the decisions being taken concerning the delivery of educational services offered in their area.

Collège Ste-Anne, the only francophone post-secondary institution in Nova Scotia, was generally in support of the Graham Commission's proposals concerning education for francophones. However, it feared that the large school

boards proposed would 'drown out' the influence of its francophone members. The Graham Report had recommended that more should be done for the education of the francophone minority. This aspect of the Commission's recommendations also received the endorsement of the only francophone newspaper in the province, Le Courier.<sup>65</sup>

Agencies involved with social services were generally favorable to the thrust of the Graham Commission's recommendations concerning the administration of social services. The Regional Social Planning Council (for Halifax, Dartmouth and the County of Halifax) was pleased with the Commission's proposals but had reservations on the composition of the various boards.<sup>66</sup> Both the Children's Aid Society of Colchester County<sup>67</sup> and the Family Services of Eastern Nova Scotia<sup>68</sup> agreed with the provincial takeover of social services. The brief from the Nova Scotia Association of Social Workers appears to have taken contradictory positions. On the one hand, it agreed with the provincial assumption of all social assistance programs. However, it disagreed with the centralized administration of social services and argued that it "would prefer to see uniformity of services created by reorganized provincial-municipal cost-sharing arrangements".<sup>69</sup> In any case, it can be stated that agencies concerned with social services

were generally favorable to the province assuming at least the financial responsibility for such services.

Briefs from the medical sector indicated concern over the centralization of the responsibility for health services. The Medical Society of Nova Scotia was not pleased with the Graham Commission's analysis of the health care sector and feared that provincial assumption of responsibility for all health services would lead to more 'authoritarian' control and be detrimental to the health profession.<sup>70</sup> Similarly, the Nova Scotia Council of Health, while in favor of the provincial takeover of the cost of health care, suggested that the traditional role of the local community in the management of hospitals not be lost.<sup>71</sup> However, this local role did not imply that the municipalities had to be involved; it could be satisfied by local citizen participation on hospital boards.

Although welcoming the provincial assumption of the assessment function and taxation of agricultural lands, the Nova Scotia Federation of Agriculture was concerned that the Royal Commission looked too much upon agricultural lands as sources of revenue.<sup>72</sup> It suggested that farmers should be taxed for services to farm buildings only and that land should be taxed according to its value as farm investment. In its opinion, farmland does not necessitate municipal services and therefore should not be taxed for those

services. Because of poor returns, the Federation suggested that the tax on land should be close to zero at that point in time (1975); if investment returns increased, then it could possibly be raised to the \$2.00/\$4.00 of assessment proposed by Graham.

### Conclusion

To what extent do the demands described in this chapter constitute an integrated demand pattern as would be predicted by the Salisbury model, given that the policy response of the Nova Scotia government was categorized as self-regulatory? Although there was a lack of consensus in the various representations made to the provincial government concerning the Graham Commission, it can be argued that the pattern of those demands should be categorized as integrated. An important element in this argument is the consideration that the concept of integrated demand pattern as utilized by Salisbury does not necessarily imply unanimity on the part of all groups making representations, but only that there be a discernible unity of action on the part of one major sector participating in the policy process. In the case of Nova Scotia following the Graham Commission, that integrated demand pattern was manifested in the reaction of the

municipal sector, generally, and in particular by the Union of Nova Scotia Municipalities.

The role played by the Union of Nova Scotia Municipalities as a strong spokesman for all the municipalities in the province contributed to a perception among governmental actors that there existed a consensus among the key non-governmental actors, the municipal units themselves. In effect, given the limited scope of the issues (municipal reorganization), the municipal sector was considered the major relevant group making demands upon the government. Although not opposed to all of the Graham Commission's proposals, the Union was not prepared to accept the implementation of those proposals without a more active participation in the policy-making process. The Union's key reaction to the Graham Commission was that it be included in the process of change. This position led eventually to the creation of the Joint Task Force. Although there was considerable support for some of the Graham Commission's recommendations on the part of individual municipal units, there was nevertheless also considerable support for the idea that the Union of Nova Scotia Municipalities be involved in any decision concerning the reorganization of local government in Nova Scotia. This demand, coupled with the government's perception of generalized opposition on the part of the municipal sector and the preeminent role that it ascribed to the

Union of Nova Scotia Municipalities, resulted in a situation where considerable integration of relevant demand was perceived to exist by the key participants in the process, in particular the governmental participants.

Both the New Brunswick and Nova Scotia cases have thus been assessed to represent examples of integrated demand patterns. However, it cannot be argued that both cases represent similar situations. The type of response that occurred in Nova Scotia is different from the deep divisions and fierce debate that occurred in New Brunswick. This difference is in large part due to the difference in 'scope' of the demand patterns. Whereas the New Brunswick situation exhibited a demand pattern of 'broad scope', the Nova Scotia situation was one of more 'limited scope' in that there was one key issue, that of municipal reorganization. Thus, although both New Brunswick and Nova Scotia exhibited an integrated demand pattern, Salisbury's distinction between 'broad' and 'limited' scope in relation to the number of issues enables us to distinguish between two different types of integrated demand pattern.

Another contrast between the Byrne and Graham Commissions was that the latter proposed more extensive territorial reorganization. Although the Byrne Commission proposed the abolition of counties, the issue of rationalizing the boundaries in the urban areas was left unresolved, thus

avoiding the alienation of urban municipal politicians. The Robichaud government had wisely decided that the proposed 'Program for Equal Opportunity' was going to meet with enough opposition without asking for more by forcing amalgamations in the urban areas. On the other hand, the Graham Commission's far-reaching proposal to reduce the existing sixty-five municipal units to eleven urban/rural counties met with almost unanimous disapproval from the municipal sector. Although rejected by the Regan government less than a year later, the 'damage' had already been done in the sense that it had resulted in criticism from many municipalities, some of which appeared willing to go along with some boundary modifications. In any event, it had aroused the ire of the Mayor of Nova Scotia's second largest city, Dartmouth, whose opposition to the amalgamation of Halifax and Dartmouth was much more vocal than Halifax's acquiescence to the proposal.

One can even argue that the thoroughness with which the Graham Commission performed its task also contributed to the creation of an atmosphere hostile to the Graham Report, in the sense that some of the minor details aroused considerable controversy. Two examples will suffice to demonstrate this point. As part of the plan to make municipal governments responsible for fire protection throughout the county, the Graham Commission had recommended that county governments assume all debts relating to fire equipment and

therefore proposed that the existing equipment of all volunteer fire departments become the property of the county. Whatever the intent of the Commission, this plan resulted in severe criticism from volunteer firemen, of which there are many thousands in Nova Scotia who have worked hard to purchase the existing fire-fighting equipment. Secondly, the Graham Commission's proposals to move the Nova Scotia Teachers College from Truro to Halifax and have it affiliated with an existing university met with opposition from the Town of Truro and from many groups of teachers who were graduates of the Teachers College and proud of its separate existence.

Moreover, the support for the Graham Commission's proposals was not as vocal or visible as in New Brunswick; that is, there was less overt support for municipal reform in Nova Scotia than in New Brunswick. As seen in Chapter 5, there were associations or groups in New Brunswick which actively pushed for changes, such as l'Évangéline, francophone teachers and the agricultural associations. In Nova Scotia, however, the situation was different. Although some groups were in favor of parts of the proposed changes, very few actively argued strongly for reforms. Some were 'willing' to accept the modification; however, few were actually demanding that the reforms be implemented. One exception was the Voluntary Planning Board of Nova Scotia. However, this was not considered a major actor in the context



of municipal reform. Thus, while the opposition was vocal, the support for change was less so.

The nature of the support and opposition to the two Royal Commission reports, however, does not in and of itself explain the variation in their eventual policy impact. Other factors need to be considered. The structure of the policy-making process is also important and will be analyzed in the next chapter.

## FOOTNOTES

1. See Pross, Duality and Public Policy, 172.
2. N.S. Assembly Debates, June 23, 1975, 2126-2127.
3. N.S. Assembly Debates, June 20, 1975, 2094.
4. See Cochrane (P.C.) to that effect, N.S. Assembly Debates, June 23, 1975, 2094.
5. N.S. Assembly Debates, June 11, 1975, 1681.
6. N.S. Assembly Debates, June 23, 1975, 2136.
7. Chronicle-Herald (Halifax), May 2, 1975, 44.
8. The NDP's concern for the Acadian population of Nova Scotia would again be demonstrated in 1981 when the provincial government set up a commission to divide the only two dual-member constituencies in Nova Scotia, those of Inverness and Yarmouth. Although both ridings have an important Acadian population, neither the Liberals nor the Progressive Conservatives nominated an Acadian for that Commission even though they had two or three nominees. However, the NDP selected as their only member an Acadian from Clare, Paul Comeau.
9. Union of Nova Scotia Municipalities, Brief to the Select Committee of the House of Assembly on Education, Public Services and Provincial-Municipal Relations, May 14, 1975, 1-2.  
N.B. Briefs to this committee will hereinafter be referred to as Brief to Select Committee.
10. Ibid., 2.
11. See Chronicle-Herald (Halifax), July 18, 1975, 1-2.
12. Ibid., December 12, 1975, 12.
13. Ibid., January 28, 1976, 1-2.
14. Union of Nova Scotia Municipalities, Brief to Select Committee, 4-5.
15. Ibid., 10.
16. Ibid., 5.
17. Association of Municipal Administrators of Nova Scotia, Brief to Select Committee, May 2, 1975, 1.

18. See T.J. Plunkett and W. Hooson, "Municipal Structure and Services", Canadian Public Policy, I, No. 3 (Summer 1975), 367-375.
19. Nova Scotia Chapter of the Municipal Finance Officers' Association, Brief to Select Committee, April 21, 1975.
20. Municipality of Queens County, Brief to Select Committee, April 22, 1975.
21. Municipality of Colchester, Brief to Select Committee, April 23, 1975.
22. Municipality of the County of Annapolis, Brief to Select Committee, April 28, 1975.
23. Municipality of the County of Antigonish, Brief to Select Committee, May 2, 1975.
24. Cape Breton Council County, Brief to Select Committee, April 21, 1975.
25. Municipality of the County of Kings, Brief to Select Committee, May 12, 1975.
26. Municipality of the County of Halifax, Brief to Select Committee, May 14, 1975.
27. Municipality of the District of Barrington, Brief to Select Committee, April 18, 1975.
28. Conseil Municipal de Clare, Brief to Select Committee, April 28, 1975.
29. Municipality of Argyle Council, Brief to Select Committee, April 28, 1975.
30. This scenario was later repeated (1982) in relation to the Walker Commission on Education Finance when Clare wanted the Clare-Argyle District School Board to operate in French. Argyle, more preoccupied with protecting the rights of its anglophone minority, wanted the District School Board to operate in English, or be bilingual. Because of the impasse, the Minister of Education was asked to settle the issue. On February 12, 1982, the Nova Scotia Cabinet decided that the Board would operate in French, with translations for the anglophone minority. For more details, see Le Courrier, February 17, 1982, 1-5.
31. Cape Breton County Council, Brief to Select Committee, April 21, 1975, 2.

32. Town of Amherst, Brief to Select Committee, May 6, 1975, 1.
33. Town of Lockeport, Brief to Select Committee, April 29, 1975, 5.
34. Town of Kentville, Brief to Select Committee, May 12, 1975.
35. Municipal Units of Hants County, Brief to Select Committee, April 23, 1975.
36. See Chronicle-Herald (Halifax), January 28, 1976, 21.
37. Town of Pictou (Special Committee), Brief to Select Committee, May 1, 1975.
38. Town of Lockeport, Brief to Select Committee, April 29, 1975.
39. Town of Truro, Brief to Select Committee, April 23, 1975.
40. Town of Lunenburg, Brief to Select Committee, April 22, 1975.
41. UNSM, Brief to Select Committee, 18-19.
42. City of Sydney, Brief to Select Committee, April 21, 1975.
43. Town of New Waterford, Brief to Select Committee, April 21, 1975.
44. Town of Glace Bay, Brief to Select Committee, April 21, 1975.
45. City of Dartmouth, Brief to Select Committee, May 7, 1975.
46. City of Halifax, Brief to Select Committee, May 7, 1975.
47. The Village Commissioners of Bible Hill, Brief to Select Committee, April 23, 1975.
48. Village of Canning, Brief to Select Committee, May 12, 1975.
49. Village of New Minas, Brief to Select Committee, May 12, 1975.

50. Village of Port Williams, Brief to Select Committee, May 12, 1975.
51. Canadian Manufacturers' Association (Nova Scotia Branch), Brief to Select Committee, April 30, 1975.
52. Voluntary Planning Board, Brief to Select Committee, May 15, 1975.
53. Atlantic Provinces Chambers of Commerce (Nova Scotia Section), Brief to Select Committee, May 15, 1975.
54. The Industrial Cape Breton Board of Trade, Brief to Select Committee, April 21, 1975, 1.
55. Halifax Board of Trade, Brief to Select Committee; May 15, 1975.
56. Canadian Union of Public Employees, Brief to Select Committee, May 14, 1975.
57. Nova Scotia Federation of Labour, Brief to Select Committee, May 14, 1974.
58. Community Planning Association of Canada, Brief to the Select Committee, May 15, 1975.
59. Nova Scotia Teachers Union, Brief to Select Committee, May 14, 1975, 1.
60. Halifax City Local - Nova Scotia Teachers Union, Brief to Select Committee, May 14, 1975.
61. Nova Scotia School Boards Association, Brief to the Select Committee, May 14, 1975.
62. See Chronicle-Herald (Halifax), December 18, 1974, 21.
63. See Ibid., November 9, 1974, 17.
64. See Ibid., September 30, 1974, 25.
65. For more on francophone (Acadian) reaction to the Graham Commission, see Harley d'Entremont, "Acadians and Local Political Power in Nova Scotia" (Paper presented at the CPSA Annual Meeting, June 1983, Vancouver).
66. Regional Social Planning Council, Brief to Select Committee, May 15, 1975.
67. Children's Aid Society of Colchester County, Brief to Select Committee, May 13, 1975.

68. Family Service of Eastern Nova Scotia, Brief to Select Committee, April 21, 1975.
69. Nova Scotia Association of Social Workers, Brief to Select Committee, May 13, 1975.
70. Medical Society of Nova Scotia, Brief to Select Committee, May 1, 1975.
71. Nova Scotia Council of Health, Brief to Select Committee, April 30, 1975.
72. Nova Scotia Federation of Agriculture, Brief to Select Committee, May 15, 1975.

## Chapter 7

### DECISIONAL SYSTEM

#### Introduction

This chapter deals with the decisional systems that were operative in relation to the policy issues stemming from the Byrne and Graham Commissions. Decisional systems can be categorized as either fragmented or integrated, based on the extent to which they are cohesive, unified and hierarchical. As argued in Chapter 1, public policy should vary according to both the type of demand structure and decisional system. Given that the policy response to the Byrne Commission has been categorized as redistributive, it is expected that the decisional system associated with it will be integrated. However, the decisional system associated with the Graham Commission is hypothesized to be fragmented given that the Nova Scotia government's response to it has been categorized as self-regulatory.

This chapter will therefore analyze the roles of various policy actors in both Nova Scotia and New Brunswick in order to ascertain the nature of the decisional system involved; that is, to determine whether those systems were fragmented or integrated. The critical elements of the decisional system are the executive-bureaucratic arrangements. Accordingly, the characteristics of the decisional systems analyzed in this chapter are the following:

- 1) the role of the Premier;
- 2) the existence and role of Cabinet committees;
- 3) the existence and role of central agencies;
- 4) the role played by Departments, in particular the Department of Municipal Affairs; and
- 5) the relationship between senior non-elected policymakers and elected officials.

Omitted from the list of actors analyzed in this chapter are the legislative assemblies and individual legislators. This is not an oversight. The case is effectively argued by Williams<sup>1</sup> that in the British parliamentary system, Parliament plays a minor role in the policy-making process, although it is useful for other purposes. Chandler and Chandler's analysis of provincial politics supports this argument:

The legislature is not generally considered to be a dominant force in the policy process... Executive dominance of the policy process is, if anything, even more prevalent at the provincial level.<sup>2</sup>

This is in sharp contrast to the American presidential system, where the legislature, through its Committees, can exercise a more meaningful role in the choice of policy outputs.<sup>3</sup> Canadian legislative committees can be instrumental as a mechanism for measuring public opinion through various means including public hearings. In both cases the legislative assemblies were effectively used for that purpose. In New Brunswick, the Law Amendments Committee was used to gather feedback on the first series of bills



presented to the Legislature as part of the process of implementing the Byrne Commission. In Nova Scotia, a special committee of the House received submissions on the Graham Report itself prior to the government committing itself to a course of action. In both instances, however, the committees were more of a tool or mechanism employed by the executive to gather information on a particular matter of concern. For these reasons, the analysis of the policy process will focus on the executive and bureaucratic arenas.

The sources of data for this analysis consists of written material and interviews with key participants. Because of the confidential nature of the interviews, specific bits of information obtained from the interviews cannot be attributed to any one individual. However, the lack of verifiability that may result from this procedure is more than offset by the greater accuracy possible by permitting free and frank discussion. Moreover, comments on either the policy process in general or the specific cases can be attributed to many of the key actors involved because of papers written by them or quotes attributed to them in other publications. (A list of all persons interviewed is contained in Appendix A).

### Brief Chronology of Events

Although Chapter 4 covers in more detail the main elements of the governments' response to the Byrne and Graham Commissions, it is useful here to recapitulate some of the major actions undertaken by both the New Brunswick and Nova Scotia governments. The Report of the Royal Commission on Taxation and Municipal Finance was submitted to the New Brunswick government in November 1963 and made public in February 1964. Because of the complexity and scope of the Byrne Commission's recommendations, the New Brunswick government was faced with a decision as to whether or not to proceed with the Report. By May 1964, the government had decided favorably on the overall intent of the Report and a Committee of Cabinet Ministers and senior civil servants was formed to analyze the Byrne Report. By September, this Committee recommended to the Cabinet that the major elements of the Byrne Report be accepted, with the exception of the administrative commissions. In early 1965, the Liberal caucus endorsed the major elements of the Byrne Report.

The next step in the process was the tabling of the White Paper on the Responsibilities of Government in which the government publicly declared its intention to proceed with the implementation of the major parts of the Byrne Report. At this point, very few of the details of

implementation had been decided upon. To work out those details, the government created the Office of Government Organization (OGO) whose function was to assist the Cabinet Committee on Government Organization chaired by the Premier and to coordinate and supervise the activities of the concerned departments. In November 1965, the first series of bills was presented to the Legislative Assembly, referred to the newly created Law Amendments Committee and eventually left to die on the order paper, with the exception of Bill No. 118 (the Assessment Act). A second series of bills was introduced in 1966, taking into account some of the criticism expressed at the Law Amendment Committee's hearings. By the fall of 1966, all of the pertinent legislation had been passed and on January 1, 1967, the 'Program for Equal Opportunity' was in place.

The Report of the Nova Scotia Royal Commission on Education, Public Services and Provincial-Municipal Relations was made public in June 1974. Shortly thereafter, a Select Committee of the Nova Scotia Legislature was set up to receive public reaction to the Graham Report. This Committee reported back to the House in June 1975. In addition, a Cabinet Committee was formed to analyze the Graham Report and prepare the Cabinet's reaction to it. With Lawrence Sandford as Secretary, it was expected that it would tackle the task

of implementing the Report. However, this Cabinet Committee met infrequently and did not thoroughly study the Report.

The government had in fact been preparing its policy on education finance even before the Report was submitted. Shortly before the 1974 election, the Liberal Party under Gerald Regan had proposed a temporary property tax rebate to help offset the residential property tax share of the cost of education. In addition, the Liberals had promised to assume a larger share of the cost of education, which led in 1976 to the provincial government assumption of the full share of the residential portion of the shareable cost of education.

After years of discussion with the Joint Task Force composed of representatives of the Department of Municipal Affairs and of the Union of Nova Scotia Municipalities (created after an unsuccessful attempt to enact several finance-related bills), the Liberal government in 1978 produced a Position Paper on municipal finance. The following year, the recently elected Progressive Conservative government of John Buchanan proposed similar changes which were eventually implemented.

#### Role of Premiers

The leadership role of the Premier is extremely important in the determination of public policy in the

Canadian provinces. This role, however, is not clearly defined constitutionally in any political jurisdiction and thus may vary, although the underlying foundation of that role remains constant. The exact role played by a premier depends on many factors, including political traditions, the particular characteristics of the individual involved, as well as the environmental context in which that political system finds itself. Moreover, it may also vary according to the subject matter under discussion. The role played by a premier may not be uniform throughout the broad range of policies developed by his government; he may exercise more direct control over one policy sector and less over another depending on his priorities. An analysis of the role of the two premiers involved with the Byrne and Graham Commissions is thus crucial for an understanding of the policy impacts of those Royal Commissions.

As previously mentioned, the initial reaction of both the New Brunswick and Nova Scotia governments to their respective Royal Commissions' Reports was the creation of committees to study the proposed modifications in provincial-municipal relations. In both cases a Cabinet committee was struck to prepare the government's initial reactions to the Report. Although neither premier was a member of those initial Cabinet committees, Robichaud's role in the early

months following the submission of the Byrne Commission's Report was nevertheless more decisive than Regan's role in relation to the Graham Commission. The Nova Scotia Cabinet committee which had been created to study the Graham Report met infrequently and did not undertake any extensive examination of the Graham Report, although the Commission's Secretary (Lawrence Sandford) had been hired as special advisor to the committee for that specific purpose. The discussions that took place concerning the Graham Report occurred either in full Cabinet or between individual ministers. However, at no time was the Cabinet involved in a thorough examination of the Report and Regan did not try to convince his Cabinet colleagues of the need for reforms in provincial-municipal relations, except for the issue of education finance.

The situation in New Brunswick was different. Even though Robichaud was not a member of the initial Cabinet committee, he was aware of its deliberations and ready to act as soon as it reported. Moreover, under Robichaud's leadership, the Cabinet had already indicated its approval in principle of the general thrust of the Byrne Report before this Cabinet committee had submitted its report.

As soon as the Committee had submitted its report, Robichaud instructed the Legislative Counsel to obtain the

necessary legal assistance to convert the Byrne Commission Report into draft legislation. Drummie notes that although this might have appeared as a simple instruction, it was in fact "a rather major instruction because it indicated the approach the government was prepared to take in tackling its problem."<sup>4</sup>

Thus, although not necessarily visible to an outsider from the outset, Premier Robichaud was playing the key role in the development of policies in reaction to the Byrne Commission.

One of the major differences between the two premiers is that Regan was less of a reformer and more politically cautious than Robichaud. Whereas Robichaud would be inclined to proceed with what he considered to be needed reforms regardless of the political costs involved, Regan would be more sensitive to the negative political impacts that would result from the imposition of seemingly unpopular policies. Whether or not this stance by Regan was 'only good politics', it nevertheless resulted in a more cautious approach to the imposition of changes in provincial-municipal relations. Regan's statements in the House attest to his cautious approach concerning local government reorganization. In defending his government's decision to proceed with only the takeover of the shareable cost of education, Regan stated:

It is a big enough fight indeed for government to attempt to take over the operating shareable costs of education at this time rather than try to become involved in the reallocation of additional programs from the municipal to the provincial level.<sup>5</sup>

Later, again defending his government's piecemeal approach,

Reagan suggested that:

We think what we're doing is a big enough bite to be digested and we're not at all sure.<sup>6</sup>

While the above may reflect more than the Premier's personal views, it is also a good indicator of his cautious views on the implementation of the Graham Report.

Premier Robichaud showed his determination to push ahead with large-scale reforms in his relations with his Cabinet and caucus. During the first few months following the publication of the Byrne Report, he 'brought in line' certain members of his Cabinet and caucus who were not altogether convinced of the wisdom of such policies. This is not to suggest that there was much real opposition to the proposals contained in the Byrne Report, only that some members of the Cabinet and caucus had reservations on the political feasibility of this dramatic course of action. If the re-election of the Robichaud government in 1967 is any indication, Premier Robichaud had judged correctly his electorate. The 1967 general election was fought largely on the issue of the government's 'Program for Equal



Opportunity'; although the party leaders themselves were also important factors. Hoyt suggests:

There was never any doubt that with all the facts before them, and the implications of those facts clearly explained, that the necessity and desirability of Equal Opportunity were such that it would, in the long-run, command large-scale public support.<sup>7</sup>

Notwithstanding Hoyt's comments, it is clear that the Liberal Party was by no means convinced that it would be re-elected in 1967, regardless of the necessity of the provincial-municipal reforms undertaken. That they did, albeit with a reduced majority, was a source of great satisfaction to the Liberal Party of New Brunswick.

The Liberal caucus and Cabinet in Nova Scotia were not unanimous in their position on the Graham Report and its implementation. To understand the importance of this lack of consensus, one has to understand the manner in which the Regan government operated. Warren has argued in an earlier study that, notwithstanding an attempt in the early years of his government to strengthen existing central agencies, Regan delegated a large amount of authority to his ministers.

According to legislators Regan delegated authority to his ministers giving them a fairly free rein to make decisions for their departments because 'it is too complex a government for the premier to know all that goes on'.<sup>8</sup>

Thus, on matters of finance, he would rely heavily on his Minister of Finance, Peter Nicholson.

Although Warren refers to an inner cabinet of three or four close advisors,<sup>9</sup> Regan depended more on Nicholson for advice than on any other member of the Cabinet. This was due in part to Regan's cautious approach to financial management. Nicholson's and Regan's hesitancy in relation to the financial implications of the Graham Commission may in part be due to the New Brunswick experience where the 'Program for Equal Opportunity' resulted in rising costs and generally increased expectations of the provincial government.

However, the level of services in Nova Scotia in relation to both local and general services, as defined by both Byrne and Graham, was far superior to that existing in New Brunswick prior to the Byrne Commission even after discounting for the ten year difference.

Nicholson was known to be hesitant on the issue of provincial takeover of the general services because of the costs involved. As seen in Chapter 4, the government had made the takeover of the cost of education dependent on the provincial government taking over part of the non-residential property tax. The reallocation of more financial responsibility for the general services was linked to the provincial assumption of the remainder of the non-residential property tax. Although the government failed in 1975 to take over

part of the property tax on industrial and commercial property, it nevertheless kept its promise to assume an increasing share of the costs of education. However, the experience convinced Regan and Nicholson of the political dangers involved; the idea of the provincial assumption of either the costs or administration of other general services was thus dropped. Moreover, the government would have needed to increase other provincial taxes if the commercial and industrial property tax was not forthcoming. Although other ministers, notably the Minister of Municipal Affairs, J. Fraser Mooney, were initially somewhat inclined towards municipal reform, the financial concerns of Nicholson and the political concerns of Regan were predominant.

The few legislative measures that were introduced by the government in 1975 as a response to the Graham Commission were enough to bring about some internal dissent in the Liberal Party. As seen in Chapter 6, one Liberal backbencher, Ron Wallace, openly criticized the government's actions in the House. Although the Opposition suggested that Wallace was not the only Liberal backbencher to disapprove of the government's proposed legislation, he was the only one to defy the government openly. In any event, this demonstrates that Regan had not been able in caucus to silence the internal critics to his government's policy, in contrast to Robichaud who had not only silenced, but convinced the

members of his caucus who were skeptical of a reform program that was far more radical than the one proposed by the Liberal Party in Nova Scotia. The reluctance on the part of some caucus members, however, does not necessarily reflect the reaction of the member's constituency. Wallace, for example, represented a riding in a city (Halifax) which was generally favorable to the Graham Report and which would have benefitted from the provincial takeover of the cost of the general services. Halifax received only 27½% financial support under the formula stemming from the Pottier Report compared to close to 90% in some rural municipalities. Moreover, the Liberal caucus drew heavily from the Halifax and Cape Breton areas, which were not hostile to the Graham Report.

The importance of Robichaud's role in bringing about the 'Program for Equal Opportunity' can hardly be overstated. Although other factors were important (for example, the Office of Government Organization), it is evident that large-scale reorganization cannot be accomplished without strong political leadership. F.R. Drummie, who headed the bureaucratic agency responsible for implementing the program, argued that "major programmes for change cannot be successfully developed and implemented without a strong commitment by the political leaders".<sup>10</sup> Although Drummie referred to 'leaders' and not just the Premier, there is no doubt as

to Robichaud's key role in this. Robichaud was a forceful leader who had control of his Cabinet; therefore, political leadership in New Brunswick at that time centered on the Premier. Another major participant, Paul Leger, suggested that "the premier remained firm in his view that the program would go ahead, regardless of the obstacles, and our share of the obstacles seemed quite small compared to his."<sup>11</sup> The obstacles referred to by Leger are the political ones of 'selling' a radical program of reform.

#### Central Agencies and Coordination

The second element to be analyzed in relation to the decisional system is the role played by central agencies. Governments in Canada have evolved over time to encompass numerous activities resulting in larger and more complex public sectors.<sup>12</sup> The resulting fragmentation has forced governments to develop a variety of coordinative mechanisms, including central agencies and cabinet committee systems, to enable the political executive to maintain effective control over this large fragmented public sector. Chandler and Chandler suggest that the increasingly complex nature of the policy issues facing provincial governments have resulted in the establishment of more formal cabinet committee structures and the creation of cabinet secretariats.

The latter are considered necessary for the proper functioning of the committee systems.

In order for cabinet committees to be useful parts of the policy process they need to be backed up by support staffs...

Besides providing an alternative source of information to the departmental bureaucracies, cabinet secretariats are also important to policy integration.<sup>13</sup>

Similarly, Bernard argues that central agencies constitute an 'antidote' to fragmentation in that they function as integrating and coordination entities.<sup>14</sup> It follows therefore that the extent to which these central agencies and Cabinet committees were operative in relation to the Byrne and Graham Commissions is an indication of the extent to which those decisional systems were integrated or fragmented.

The evidence presented below will show the startling contrast between the Nova Scotia and New Brunswick experiences in terms of the role played by central agencies and committees. As noted earlier, the Nova Scotia Cabinet committee created to examine the Graham Commission rarely met and thus did not play a meaningful role in the elaboration of policies regarding municipal reform. The extent to which it was non-operative is reflected in the fact that Lawrence Sandford, its Secretary, toured the province with the Select Committee of the House of Assembly and provided special assistance to that Committee.<sup>15</sup> His appointment as Secretary to the Cabinet Committee could have been interpreted

as an indication of the Regan government's determination to follow through with some of the recommendations of the Commission, given that Sandford had formerly been Secretary to the Graham Commission. Such was not to be the case and the modifications introduced were arrived at through a process which involved primarily the Department of Municipal Affairs.

The lack of an adequate structure for policy coordination in Nova Scotia had been discussed by the Graham Commission. Although not specifically included in its terms of reference, the Graham Commission examined the organization of the provincial government and was "particularly concerned about the present lack of coordination of departments and programs".<sup>16</sup> After a brief examination of the Cabinet committee system and support staffs, the Commission stated that "the need is apparent for an effective structure and for procedures to enable the Cabinet to lead, to give overall direction, and to ensure direction..."<sup>17</sup> Although he later attempted to strengthen the central agencies that existed, Regan had let go the staff of the Cabinet Committee on Development Policy which had been brought in during the years of the Progressive Conservative government. Thus, the Cabinet support system that was beginning to develop in the late 1960s was stopped by the Liberal government shortly

after assuming office and was still underdeveloped in the early 1970s when the Graham Report was submitted.

Warren documented the attempt by Regan to set up a Cabinet Office to provide policy advice to the Premier and the Cabinet. However, this attempt failed, in part because the Secretary to the Cabinet, F.R. Drummie, was perceived to be an outsider. Drummie resigned in 1972 after an administrative reorganization and was replaced by Innis McLeod, a senior civil servant who had previously directed the Executive Council Office for the Progressive Conservative government. This indicated a return to a more 'neutral' role for the cabinet secretariat as opposed to the more activist role envisaged by Drummie. Warren suggests that:

The revived ECO no longer dealt with special public policy problems, rather it reverted to its previous role of interdepartmental liaison, processing paper to and from the cabinet, as well as handling administrative matters and reports to the premier. It had no decision making powers in and of itself.<sup>18</sup>

Thus, by the time the Graham Commission reported in 1974, the Nova Scotia government did not have any strong central agencies to provide policy advice and coordination. Moreover, none were created to oversee the government's policy response to the Graham Commission. In addition, Nova Scotia had a weak Cabinet committee system. Commenting on provincial cabinet committee systems, Bryden in 1976 stated that



Nova Scotia is the only province where there are no standing committees of the cabinet other than the Treasury Board.<sup>19</sup>

In New Brunswick, the situation was different: central agencies and Cabinet committees played a crucial role in the implementation of the Byrne Commission's recommendations, beginning with the Cabinet Committee set up in May 1964 to study the Byrne Report. With the Minister and Deputy-Minister of Municipal Affairs as Chairman and Secretary respectively, this committee met often and scrutinized the Report. Most deputy-ministers and many other senior civil servants appeared before the Committee to discuss the various sections of the Report that were pertinent to them. Drummie states:

The basic approach was to go through the report chapter by chapter and have it reviewed by the various department personnel concerned with the subject matter. The meetings became something like organized bull sessions with a very free discussion among all participants. It was an exercise in education and understanding for all involved. Towards the end, the average meeting was a seminar attended by approximately 24 cabinet ministers and civil servants.<sup>20</sup>

Aside from recommending that the Byrne Report be adopted with the exception of the concept of administrative commissions,<sup>21</sup> the Committee also proposed the creation of another Cabinet committee. This new committee would be given the mandate to proceed with the implementation of the

Commission's recommendations. Such a committee, it was argued, should be provided with a secretariat.

Although the Cabinet Committee chaired by Leblanc reported in September 1964, it was July 1965 before the proposed new Cabinet committee and corresponding secretariat were set up. During that time, the Robichaud government had decided to implement the major elements of the Byrne Report and had already presented to the legislature a White Paper on the Responsibilities of Government, in which it announced its intention to institute large-scale changes in New Brunswick. However, the task of developing the policies for change and the implementation thereof was given to these two new entities, the Cabinet Committee on Government Organization and its secretariat, the Office of Government Organization.<sup>22</sup>

The Cabinet Committee on Government Organization was chaired by Premier Robichaud and included the key ministers involved in the reforms; that is, Education, Municipal Affairs, Youth and Welfare, Health, and the Attorney General.<sup>23</sup> Ironically, although the Byrne Commission had been created to investigate Taxation and Municipal Finance, the Minister of Finance was not on the Committee. (However, the Deputy Minister of Finance played a key role in the implementation of the 'Program for Equal Opportunity', particularly in relation to financial issues.<sup>24</sup>)

The Cabinet Committee on Government Organization met for the first time in July 1965 and was, "in some sense of the term, in constant session from that point onward until approximately two years afterward".<sup>25</sup> Although in principle referrals could be made to the Cabinet, most questions were settled within the Committee under the direction of the Premier. In fact, the Committee functioned to some extent as an inner Cabinet in relation to the 'Program for Equal Opportunity'. The lack of referrals to the entire Cabinet is consistent with the role that has been attributed to Robichaud as Premier, which is one of unquestioned control. Ruff suggests that because it comprised half the membership of the Cabinet including the Premier and because of the urgency of its deliberations, the Committee "occupied a commanding authoritative position within the machinery of government".<sup>26</sup>

The role of the Committee's secretariat, the Office of Government Organization (OGO),<sup>27</sup> was twofold. First, it provided assistance and policy advice to the Premier and the Cabinet Committee on Government Organization. The extent to which the relationship between OGO and the Cabinet Committee was integrated is evident in the operating procedures of the Committee. Senior members of OGO and the Cabinet Committee discussed policy matters together. Although the ultimate decisions remained with the political

policy-makers and thus with the Cabinet Committee members, there was little distinction made at this level between political and non-political participants in the implementation of these major reforms. Leger even refers to the entire group as a Task Force, consisting of both OGO and the Cabinet Committee on Government Organization.<sup>28</sup>

OGO's second major function was the coordination of the line departments involved in the 'Program for Equal Opportunity'. To that end, OGO was responsible for ensuring that the various bills being drafted were consistent with each other and with the overall intent of the proposed reorganization. To supplement its small staff, OGO drew on the human resources of all departments concerned by bringing in senior officials to provide additional information and advice. This procedure was thought to be more efficient than the creation of a large central agency. Moreover, the frequent involvement of senior officials from line departments helped to minimize the latent conflict that existed between this 'super-agency' and the departments.

In large part due to the fact that OGO was seen as an extension of the Cabinet and in particular, Premier Robichaud, departmental officials (including Deputy Ministers) generally took the 'advice' or directives emanating from OGO, although some rather reluctantly. Leger suggests that this role of coordination was sometimes difficult to perform.

Some departments welcomed the Office of Government Organization and some did not at all. Those that did not made things very difficult indeed, since they had to be dragged into the cabinet committee process of decision-making. We did not overcome this tendency to departmental autonomy, but for the really key decisions upon which the program depended we were able to cope with it for as long as OGO lasted.<sup>29</sup>

However, given its position as an administrative extension of the Cabinet, line departments could not afford to ignore OGO. Directives stemming from OGO were treated, although again reluctantly by some, as Cabinet directives.

Drummie suggests that the Cabinet committee system (including its secretariat) created to implement the 'Program for Equal Opportunity' proved of immense value to the government. Because of the detailed analysis given to proposed legislation at the committee stage, by the time a bill reached the Cabinet,

...it had the policy agreement and understanding of at least four and generally six ministers... Not only was the draft generally more acceptable but the responsible minister had knowledgeable supporters in Cabinet.<sup>30</sup>

The fact that more than one minister were knowledgeable on most of the bills proposed as part of the 'Program for Equal Opportunity' was also useful on the floor of the House. On occasion, three or four ministers were capable of defending sections of a bill in detail. Moreover, a small central agency with broad authority such as OGO proved to be an

effective coordinating vehicle.<sup>31</sup> Leger also argues that the Cabinet Committee and OGO were necessary for the implementation of the 'Program for Equal Opportunity'.

This task force, consisting of the Cabinet Committee and its Secretariat, were determined to achieve the targets which Mr. Drummie outlined in an earlier paper. I am convinced that without this task force it would not have been possible to accomplish what we did. Somehow the right people came together at the right time to do the right job.<sup>32</sup>

The creation of strong coordinating mechanisms such as the Cabinet Committee and OGO was thus indispensable for the implementation of the Byrne Commission's recommendations.

The influential role of the Office of Government Organization is also illustrated by the following excerpt from the Leader of the Opposition, Mr. Sherwood.

And then, Mr. Chairman, we work, always within the long shadow cast by that new super-government that has come to New Brunswick, the so-called Office of Government Organization, or OGO - OGO proposes, and the government disposes...

Although the membership of OGO is supposedly restricted, the membership is fluid. It is revolving, one might say, it is constantly changing, hidden away in government departments. It is as hard to dissect as a jelly fish. Its membership is revolving around and around. It strikes in the night like a phantom, leaving a trail of fresh press releases in its wake.<sup>33</sup>

Sherwood's description of OGO was reasonably accurate inasmuch as the permanent membership was quite small; other

officials were seconded from line departments as the need arose. The issue of press releases refers to the New Brunswick Information Service, part of OGO, which carried on a vast campaign of public information, if not public relations, for the government.

OGO's relation to the powerful Cabinet Committee on Government Organization ensured its position as the key bureaucratic actor in the process of implementing the Byrne Report. Although it was ultimately reliant on the resources and cooperation of departmental officials to perform its supportive role for the Cabinet committee, Ruff argues that OGO's access to the Committee gave it considerable influence.

During the collective shaping of public policy, however, in which the proposed directions to be taken in respect of departmental programs, structures, and systems and procedures, were considered by the Cabinet Committee, OGO had a virtual monopoly of access.<sup>34</sup>

As noted earlier, it was this Committee, and not the full Cabinet, which made the key decisions concerning the 'Program for Equal Opportunity'.

#### Role of the Departments of Municipal Affairs

The New Brunswick Department of Municipal Affairs played an important role in the implementation of the

'Program for Equal Opportunity', although the central direction behind those reforms was always with the Premier and the Office of Government Organization. Moreover, the reorganization involved every department and agency of the New Brunswick Government, especially departments responsible for the general services, such as Education, Social Services and Health. Two 'horizontal'<sup>35</sup> departments, those of Justice and Finance, were also heavily involved due to the legislative and financial implications of the reforms.

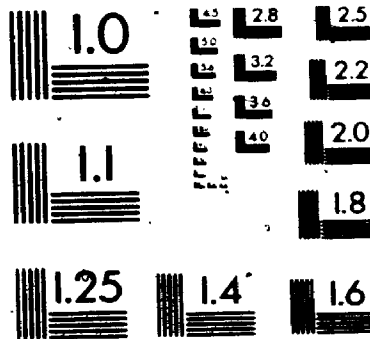
Nevertheless, the Department of Municipal Affairs, taken to include both the Minister and civil servants, can be said to have been the key departmental actor, and this for a number of reasons. The initial committee of Cabinet to examine the Byrne Report in the summer of 1964 was chaired by the Minister of Municipal Affairs, Joseph LeBlanc and had as its Secretary the Deputy Minister of Municipal Affairs, Edward Allen. Leblanc's successor, Norbert Thériault, was Vice-Chairman of the powerful Cabinet Committee on Government Organization. Both Norbert Thériault and Edward Allen were important actors in the process of municipal reform in New Brunswick. Two of the major Bills, the Assessment Act and the Municipalities Act, were the responsibility of the Minister of Municipal Affairs.

The Nova Scotia experience with municipal reform following the Graham Commission differs from the New



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Brunswick experience in that the Nova Scotia Department of Municipal Affairs was the lead agency. From the outset, the Minister of Municipal Affairs had a leading role. The Select Committee of the House on the Graham Report, which toured the province receiving submissions, was chaired by the Minister of Municipal Affairs, J. Fraser Mooney. Later, in 1975, Mooney was to bear the major responsibility in the House for defending the government's three Bills dealing with municipal reform. However, the Cabinet committee struck to examine the Graham Report (but rarely met) was chaired by Finance Minister Peter Nicholson.

The chief indication that the Department of Municipal Affairs was the lead agency in relation to the post-Graham municipal reforms is the role played by the Joint Task Force. The negative reactions of the Union of Nova Scotia Municipalities to the government's initial attempts to bring about municipal fiscal reform in 1975 forced the Regan government to withdraw two of the three Bills proposed. The other Bill, on Assessment, was eventually agreed to by the Union. So as not to repeat that politically embarrassing situation, the government then embarked on a series of close consultations with the Union of Nova Scotia municipalities.

Known as the Joint UNSM-DMA Task Force on Municipal Reform, usually referred to as the Task Force, the consultative group consisted of the executive director, solicitor and

financial consultant of the UNSM and the senior staff of the Department of Municipal Affairs.<sup>36</sup>

The Task Force met regularly with virtually no publicity and operated informally.

With the exception of the 1982 changes brought about by the Walker Commission, all modifications to the provincial-municipal relationship have been channelled through this Task Force. To a large extent this Task Force was removed from the 'political' scene because it was composed of officials. The influence of the Union of Nova Scotia Municipalities through the Task Force was enormous, although the provincial government maintained that it still had the ultimate responsibility for the setting of policy after having consulted the Union. In its 1978 Position Paper, the Department of Municipal Affairs stated that "while it is recognized that the provincial government has the final word, the consultative process has meant more acceptable and more workable answers to the problems posed."<sup>37</sup> However, the Department was also very cautious in not committing the government to a course of action not yet approved by the Union members on the Task Force.

Most of what is discussed in this position paper has been discussed in some detail in the Task Force setting. Not all of it has been agreed to by the Union representatives on the Task Force, in part because some discussions have not yet resulted in conclusions. Where the Task Force has agreed, this is noted in the text.<sup>38</sup>

As seen in Chapter 4, the 1978 Position Paper covered many areas of municipal reform although it dealt mainly with municipal finance, which was the chief concern of the Task Force.

Although the Liberal government of Gerald Regan was defeated that same year and replaced by the Progressive Conservative government of John Buchanan, the process of municipal fiscal reform continued uninterrupted. The 1979 proposal of the Department of Municipal Affairs entitled 'Fiscal Justice' was a replica of the previous government's proposal concerning municipal finance. This document was also the product of the Task Force. According to the document:

The Joint Union of Nova Scotia Municipalities-Department of Municipal Affairs Task Force has made a great deal of progress toward an overall review of provincial-municipal relations in the past year...

The Task Force has considered many alternative systems and has arrived at what is thought to be a fair and efficient way to allocate provincial operating and capital grant funds.<sup>39</sup>

The 1979 Paper, however, differed from the 1978 Paper in relation to the role of the municipalities in municipal fiscal reform. Whereas the 'official' position of the Department of Municipal Affairs was that the provincial government had the final say, the 1979 paper acknowledged that "if there is general opposition to the feeling that the proposals should be altered or refined in some respect, the

proposals will be dropped or altered in accordance with municipal opinion".<sup>40</sup>

The importance of the continuity in municipal policy following the change of government in 1978 is twofold. First, it demonstrates the crucial role played by the Task Force and the apparent 'veto' that the Union of Nova Scotia Municipalities had on provincial policy dealing with the municipal sector. Secondly, it indicates that the lead agency through which these reforms were elaborated was the Department of Municipal Affairs. Although the Union had considerable influence, the process of 'negotiation' also enabled the senior officials of the Department to convince the municipal representatives of some needed changes. In any event, it excluded other departments from the process of provincial-municipal reform and limited the issues to those of concern to the Department of Municipal Affairs.

As a final note to this discussion on the role played by the respective departments of Municipal Affairs, the officials in both provinces were generally favorable to municipal reform. The staff of the Nova Scotia Department of Municipal Affairs also were favorable to municipal reform. Changes were made in the Department to accommodate and facilitate reform with the creation in 1975 of a Research Division, whose first Director was John Cameron, previously employed by the Graham Commission.

### Conclusion

The categorization of decisional systems according to Salisbury's model presents some difficulties. First, the categorization is based on the analysis of qualitative rather than quantitative data. Secondly, Salisbury's typology contains only two possible classifications, that of integrated or fragmented. Given the complex nature of the phenomena being analyzed, however, it is not always easy to dichotomize the variable of decision system as being either integrated or fragmented. Nevertheless, it is possible to broadly categorize the decisional systems as being integrated or fragmented, based on the analysis of the critical factors discussed in this chapter.

Given the above constraints, it is clear from the data presented that the decisional system in New Brunswick was integrated whereas the decisional system in Nova Scotia was fragmented. The rationale for this categorization is all the more evident in the comparison of the two cases, beginning with the role played by the Premier and his relationship with both his political colleagues and his senior officials. Although the decision to accept in principle the recommendations of the Byrne Commission was made prior to the development of the integrated coordinative mechanisms necessary for the implementation of the 'Program for Equal

Opportunity', there was already more integration in New Brunswick than in Nova Scotia, due largely to Premier Robichaud's leadership style and relation with his Cabinet. Moreover, that initial policy decision still needed to be implemented. This would not have been possible without the integrative mechanisms - Cabinet Committee and OGO - set up by Robichaud. In addition, much of the 'Program for Equal Opportunity' had not yet been developed prior to the creation of OGO and the Cabinet Committee.

The crucial role played by the Office of Government Organization (OGO) has already been commented upon in this chapter. The mode of operation of that agency is noteworthy for two reasons. First, it represents an example of the effective coordination of line departments by a central agency. Secondly, and more importantly, it represents an example of the integration of senior political and non-political policy-makers. The close working relationship between the Cabinet Committee on Government Organization and OGO was one of the key reasons for the successful implementation of the 'Program for Equal Opportunity', notwithstanding Drummie's comment that politicians and civil servants should keep to their respective roles in the system.

Major programmes for change cannot be successfully developed and implemented without a strong commitment by the political leaders; without them having full confidence in their

officials; and without each clearly understanding the need to keep to their role in the system. That is, politicians make bad administrators.<sup>41</sup>

Both political and non-political policy-makers participated fully in the discussions concerning policy but the final decision on whether or not to proceed remained with the political actors.

The political/bureaucratic relationship observed in New Brunswick should be analyzed in terms of the 'politics versus administration' dichotomy. Although this distinction has eroded over time, it nevertheless remains a part of the heritage of public administration and is still discussed in modern writings on public administration.<sup>42</sup> The essential feature of this dichotomy is that the roles of elected and appointed officials should be clearly delineated, policy being the preserve of elected officials whereas administration is the role of appointed officials. Leaving aside the problems involved in establishing a clear definition of what constitutes policy and what constitutes administration, if such is possible, it can be argued that the implementation of large-scale reforms necessitates the integration of the two functions (and of elected and appointed officials). The situation in New Brunswick clearly involved the 'blurring' of the policy/administration dichotomy with both elected and appointed officials participating freely in the discussion on the implementation of the 'Program for Equal Opportunity'.



Issues were not sorted out between policy and administration; they were just issues. Although the evidence suggests that the final or authoritative word rested with the elected officials via the Premier, it is also clear that the implementation of that massive program of reform would not have been possible without the integration of political and bureaucratic elements through OGO and the Cabinet Committee.

The facility with which the senior political and non-political officials worked closely together was in part due to the concept of 'mission' they had. As noted earlier, most of OGO's staff were young, relatively new to the New Brunswick civil service and eager to participate in the implementation of major change in New Brunswick. Some had recently arrived from the Saskatchewan civil service after the defeat of the New Democratic government in the 1964 election. Although these latter officials played important roles in the implementation of the 'Program for Equal Opportunity', they were not the most influential. The two leading political and non-political actors in the process were respectively Premier Robichaud and F.R. Drummie, both from New Brunswick.

Nova Scotia's response to the Graham Commission did not include the creation of strong integrative coordinating mechanisms. Instead, the major channel for policy formulation dealing with municipal reform was the Department of Municipal Affairs; the Cabinet committee established in 1974

never became fully operational and therefore played little role in the ensuing discussion on the Graham Commission.

Moreover, the Joint Task Force created in 1976 to prepare and plan for municipal reform, and through which all subsequent changes in provincial-municipal relations were developed, consisted of representatives of the Union of Nova Scotia Municipalities and senior civil servants of the Department of Municipal Affairs. There is no indication of any active participation by members of the Premier's office and cabinet support staff during this stage of the policy process. The responsibility for developing the government's strategy of municipal reform had effectively been delegated to the Department of Municipal Affairs and to the Joint Task Force. These findings are similar to other studies of Nova Scotia government in the 1970s. As noted earlier, Warren had documented the non-successful attempt by Regan to set up a Cabinet Office to provide policy advice to the Premier and the Cabinet. Thus, by the time the Graham Commission reported in 1974, the Nova Scotia government did not have any strong central agencies to provide policy advice to the Cabinet and none were created to oversee the implementation of the Graham Report. Similarly, Pross suggests that Nova Scotia had the least developed system of central agencies in the four Atlantic provinces.<sup>43</sup>

In addition to a lack of integrative mechanisms, Nova Scotia lacked the integration of political and bureaucratic elements in the policy-making process, in contrast to the New Brunswick situation. Strong central agencies, which could have possibly bridged the gap between the political executive and the bureaucracy, were non-existent. Nowhere was there a mechanism which brought together elected and appointed officials to discuss or plan the implementation of the Graham Commission. The provincial participation on the Joint Union of Nova Scotia Municipalities-Department of Municipal Affairs Task Force consisted exclusively of appointed DMA officials. An exercise such as the initial Cabinet committee in New Brunswick, which enabled all deputy ministers to present their views, was never carried out in Nova Scotia although a similar Cabinet committee had been struck. However, this Committee was never operational and whatever decisions were made earlier on in the process were made by the Cabinet alone. Later, the key decisions were made by the Joint Task Force which included only appointed officials from the Department of Municipal Affairs.

The integration of political and bureaucratic elements would have been difficult in Nova Scotia, given Regan's admitted distrust of the bureaucracy.

It's hard to get control of departments and I'm not sure there is effective control of bureaucracy in Canada... To date I'd say I

had had only fair success in gaining control - there are inherent obstacles in the way.<sup>44</sup>

Michael Kirby, his principal secretary in the early 1970s argues the same.

Regan distrusted the bureaucracy... We tried to develop a counter-bureaucracy to go against the views of departmental empires. However, it wasn't successful. We did not have the right people and there was a great deal of resentment in the departments. There were two sides to our counter-bureaucracy - the premier's office group which has been maintained and the cabinet office group which was not.<sup>45</sup>

Thus, the types of integrative mechanisms necessary for the implementation of large-scale reform in New Brunswick were not easily developed in Nova Scotia in the 1970s given the perception of the Premier and the apparent independence of the bureaucracy from political control.

## FOOTNOTES

1. See Robert J. Williams, "The Role of Legislatures in Policy Formulation", in Réjean Landry (ed.) Introduction à l'analyse des politiques (Québec: Les Presses de l'Université Laval, 1980), 161-195.
2. Chandler and Chandler, Public Policy and Provincial Politics, 114-115.
3. For a good comparison of executive leadership in parliamentary and presidential systems at the provincial/state levels, see Edward Gillingham Warren, "Executive Leadership in Rhode Island and Nova Scotia: A Comparative Case Study", unpub. Ph.D. thesis, Brown, 1978 (University Microfilms No. 7906627).
4. F.R. Drummie "Case Study on Change - New Brunswick: Information and Background; paper delivered to the Annual Conference of the Institute of Public Administration of Canada, St. John's, Newfoundland, September, 1969.
5. N.S. Assembly Debates, June 11, 1975, 1686.
6. Ibid., June 23, 1975, 2117.
7. Don Hoyt, "Case Study on Change - New Brunswick: Public Information Program", paper delivered to the Annual Conference of the Institute of Public Administration of Canada, St. John's, Newfoundland, September, 1969.
8. Warren, Executive Leadership, 498-499.
9. Ibid.
10. Drummie, "Case Study on Change", 28.
11. Paul Leger, "Case Study on Change - New Brunswick: The Program of Equal Opportunity: A Summary", paper delivered to the Annual Conference of the Institute of Public Administration of Canada, St. John's, Newfoundland, September 1969.
12. For example, see Richard Bird, The Growth of Government Spending in Canada (Toronto: Canadian Tax Foundation, 1970).
13. Chandler and Chandler, Public Policy and Provincial Politics, 104-105.

14. André Bernard, La politique au Canada et au Québec, 326.
15. Report of the Select Committee, 1.
16. Graham Report, Vol II, Ch. 32, 1.
17. Ibid., 24.
18. Warren, Executive Leadership, 206.
19. Kenneth Bryden, "Cabinets", in David J. Bellamy, et al. (eds.), The Provincial Political Systems: Comparative Essays, (Toronto: Methuen, 1976), 317.
20. Drummie, "Case Study on Change", 206.
21. The government also rejected the proposal for single-member ridings made by the Byrne Commission. These eventually came about for the 1974 election following a report by G.E. Graham. However, this did not change the discrepancies noted in the Byrne Report. See P. Doucet, "Les inégalités et les distorsions de représentations" Egalité, No. 4 (automne, 1981), 67-84.
22. Drummie suggests that the name was modeled on the federal government's Bureau of Government Organization, set up to implement the Glassco Royal Commission Report. However, since the term 'bureau' was not in use in New Brunswick, the term 'office' was used.
23. Drummie, "Case Study on Change", 16.
24. In fact, Donald Tansley (Deputy Minister of Finance) was probably the most influential of the former Saskatchewan civil servants who had moved to New Brunswick after the NDP's defeat in Saskatchewan. Another former Saskatchewan public servant, Paul Leger, succeeded Drummie as head of OGO.
25. Drummie, "Case Study on Change", 15.
26. Ruff, "Administrative Reform and Development", 251.
27. The Office of Government Organization was staffed by a group of young civil servants, most of whom were relatively new to New Brunswick's public service. Some, such as Paul Leger and Robert McClarty, had just arrived from the Saskatchewan civil service after the defeat of the Saskatchewan New Democratic government. Others, including Fred Drummie, were from New Brunswick but were also

newcomers to the provincial civil service. Of the staff at OGO, the most influential was undoubtedly Drummie chosen by Robichaud to direct OGO's operations.

28. Leger, "Case Study on Change", 15.
29. Ibid., 13.
30. Drummie, "Case Study on Change", 21.
31. Ibid., 28.
32. Leger, "Case Study on ~~Change~~", 15.
33. N.B. Synoptic Report, January 31, 1966, 1522.
34. Ruff, "Administrative Reform and Development", 254.
35. For a development of the concepts of horizontal and vertical portfolios, see G. Bruce Doern, "Horizontal and Vertical Portfolios in Government" in G. Bruce-Doern and V. Seymour Wilson (eds), Issues in Canadian Public Policy (Toronto: Macmillan, 1974, 310-336).
36. N.S. Department of Municipal Affairs, New Directions (1978), 1.
37. Ibid.
38. Ibid.
39. N.S. Department of Municipal Affairs, Fiscal Justice, (1979), 1.
40. Ibid.
41. Drummie, "Case Study on Change", 28.
42. For example, see V. Seymour Wilson, Canadian Public Policy: Theory and Environment (Toronto: McGraw-Hill Ryerson, 1981), 71-107 and 264-299.
43. See A. Paul Pross, "The Coastal Zone Management Process: Meeting the Problem of Administrative Fragmentation" in Douglas M. Johnston, A. Paul Pross and Ian McDougall (eds), Coastal Zone Framework for Management in Atlantic Canada (Halifax: Institute of Public Affairs, 1975), 91-112. Pross states (at page 99):

Of the four Atlantic Provinces, Nova Scotia has the least developed system of policy coordination and integration. Both within and outside the

provincial public service, critics complain that there is little communication between agencies and that no structures exist below the Cabinet level that are capable of requiring agencies to cooperate with one another.

44. Regan, quoted in Warren, Executive Leadership, 132.

45. Kirby, quoted in Warren, Executive Leadership, 220.



## Chapter 8

### CONCLUSION

The evidence presented tends to support the hypotheses offered in Chapter 1 based on Salisbury's typology of public policy. Nova Scotia was found to have exhibited an integrated demand pattern of limited scope and a fragmented decisional system, associated with self-regulatory policy. New Brunswick was found to have exhibited an integrated demand pattern of broad scope and an integrated decisional system, associated with redistributive policy. The relative importance of both variables will be discussed below when the conceptualization of demand patterns and their relation to decisional structures are elaborated upon.

#### 'Linkage' Hypothesis

Moreover, the 'linkage' hypothesis appears to be valid based on the analysis of the Byrne and Graham Commissions. It was earlier argued that major municipal reform is unlikely to be achieved unless it is associated with other issues of social or economic importance that transcend the municipal sector and which receive support from various groups and individuals; that is, it must be associated with a demand pattern of broad scope.

The need for 'linkage' has already been noted in relation to reorganization attempts in other jurisdictions. Meynaud and Léveillé suggest that the municipal merger proposals in Québec were part of a larger program of regional development. According to them:

Les idées exprimées à l'époque par tous les organismes qui se préoccupent de la gestion optimum des ressources québécoises (et parmi ces organismes figurent aux côtés du BAEQ la Commission Sylvestre et la Commission Bélanger) convergent vers un point commun: la création de pôles de croissance et l'organisation du développement économique autour de ces pôles.<sup>1</sup>

Regional economic development was thus the main motive behind the municipal merger movement in Québec in the 1960s. In this case, however, the movement failed. However, this does not negate the general statement that major municipal reform needs to be linked to other issues. What it does suggest is that linkage is a necessary but not sufficient condition for the achievement of those reforms.

The need for objectives which are 'broader' than the municipal sector is also demonstrated by Brand in a comparative study of local government reform in Sweden and England. Brand states:

The reform in both countries took place at times when other reforms were also being discussed or implemented. The reforms of the structure of local government came about (and had to come about) at a time when certain general ideas were prevalent. It was these ideas which embodied values and used symbols which were antithetical to the

existing institutions and which made it possible to change them. In Britain, in the 1960s, there was a great deal of discussion about "what's wrong with Britain". This made reform topical in many areas...<sup>2</sup>

In the case of England, one can rightfully argue that the reforms were based on municipal considerations.<sup>3</sup> However, the point to be made is that there was a much larger issue which in a way facilitated the process of municipal reform. One can still argue that the municipal reforms in England were 'linked' or associated with an issue that went beyond purely municipal considerations.

Similarly, the large-scale reform of local government in New Brunswick in 1967 was associated with objectives that extended far beyond the municipal sector itself. This has already been argued by other students of the 'Program for Equal Opportunity'. Cyr argues that the program was not really one of municipal reform, but one of a more equitable distribution of public services throughout the province.

Somme toute, le programme d'égalité des chances ne semble pas avoir été avant tout une véritable réforme municipale... Si l'on a transformé cette structure, ce n'est pas que l'on cherchait, avant tout, à donner aux municipalités de nouveaux rôles ni à leur permettre de mieux s'acquitter de leurs responsabilités mais bien parce que cette réforme devenait la pierre d'angle de la réalisation des véritables objectifs du gouvernement, soit la distribution plus équitable des services publics à travers la province et le développement économique.<sup>4</sup>

Municipal reform per se then was not the main objective of the Byrne Commission's recommendations; socio-economic development and equality were. Plunkett argues the same when he states:

Thus, one aim of the Program for Equal Opportunity was to revamp an outmoded and over-extended local government structure which, except for the cities and towns, had lost much of its meaning. A more important objective was to achieve a more equitable distribution of services on a province-wide basis.<sup>5</sup>

The findings of this study are compatible with Cyr's and Plunkett's analysis.

The goals enunciated by the Byrne Commission as justification for its recommendations were broader than those of the Graham Commission in that the Byrne Commission stressed the need to modernize and industrialize New Brunswick. The Graham Commission, on the other hand, justified its proposed changes on the need to 'rationalize' the provincial-municipal relationship. Although it suggests that there could be beneficial economic consequences, the Graham Commission did not offer these as a key reason for proceeding with changes in Nova Scotia. This difference carried over to the policy-making process itself.

It is evident that the 'Program for Equal Opportunity' was much more than a program of municipal reform. The broad scope of the government's actions were clearly stated in the 1965 White Paper on the Responsibilities of Government.

which set the tone for subsequent statements by government officials concerning the proposed reforms. The atmosphere among senior political and bureaucratic actors also supports the claim of broad goals. Once the government of New Brunswick had decided to implement the major elements of the Byrne Report, the key policy-makers involved considered the implementation of that program as a mission to bring New Brunswick into the twentieth century and to create a climate of equal opportunity in the province.

The situation in Nova Scotia following the Graham Commission was different for a number of reasons. First, the Commission itself did not propose broad goals that could be attained through the proposed reorganization. Secondly, two of the key actors who had been instrumental in enlarging the Royal Commission's terms of reference to encompass the totality of provincial-municipal relations, Drummie and Kirby, were no longer with the Regan government. As a result, the attention of the government was quickly focused on municipal finance. Lacking broad-based political needs to respond to, the Regan government felt it could not marshal enough support to attempt a large-scale reorganization of provincial-municipal relations in Nova Scotia. Given Regan's cautious nature, it is not surprising that he would not proceed with major reforms without broad political support. This support, however, would not be forthcoming without those

reforms being perceived by the public as addressing some major political need. The lack of support is due in part to the grant structure developed after the Pottier Report on Education which enabled municipalities to offer a reasonable level of services compared to the New Brunswick situation prior to the Byrne Commission. Moreover, it has been argued that this grant system in fact provided for an over-equalization in favor of the poorer rural areas to the detriment of the richer urban areas, especially the Halifax/Dartmouth area.

The lack of broad objectives in Nova Scotia resulted in a demand pattern of limited scope, focusing on the municipal sector. As a result, the major non-governmental actors were individual municipalities and the Union of Nova Scotia Municipalities. At the insistence of the UNSM, the government in 1976 created a Joint Task Force which gave de facto authority to the UNSM for the development of policy concerning municipal government in Nova Scotia; in effect, self-regulatory policy.

#### Environment of Policy

Although Salisbury's model posits that the key explanatory variables are political rather than environmental, the latter are not neglected. As noted earlier, system resources obviously have an important relationship to the

amount of money spent on public services. Moreover, other environmental characteristics may influence the attitudes and reactions of policy actors and citizens. In the cases analyzed in this study, there were a number of environmental elements which are useful to an understanding of the respective impacts of the Byrne and Graham Commissions. This, however, does not reduce the general applicability of the Salisbury model; it only helps one to understand or explain why the demand patterns were as they were.

One important environmental characteristic is that of time. Although it is difficult to accurately measure the importance of this variable, it is safe to state that the ten year interlude between the submission of the Byrne Report (1964) and the Graham Report (1974) made a difference in the treatment given those two Reports by the New Brunswick and Nova Scotia governments respectively.

In contrast to the situation existing in 1964, by 1974 certain values were prevalent which made it difficult for the Nova Scotia government to proceed with large-scale municipal reform as envisaged by the Graham Commission. First, the concept of 'citizen participation' was much more in evidence and thus any attempt at centralization of key government functions such as education, health and welfare (as well as the creation of eleven large regional governments) was bound to meet with much stiffer opposition than

would have been the case ten years earlier. In defense of the Graham Commission, it must be pointed out that the administration of the general services would have been decentralized and that citizen participation on boards and councils would have been sought. In the case of education, local school councils would have given parents a degree of participation in the administration of schools that they do not now enjoy. As noted in Chapter 6, this was very well received by the Nova Scotia Home and School Association. Moreover, the large regional-municipal units would have encouraged citizen participation through the creation of community associations, as well as the retention of town and village councils. However, the thrust of the Royal Commission's proposals was perceived to be very centralist and thus not compatible with this notion of 'participation'. Moreover, the very fact that the Graham Commission had structured this participation may have resulted in participation being viewed as a necessary appendage of the bureaucratic process, and therefore not compatible with the demand for grassroots involvement. Regardless of the intentions of the Report and the possible outcomes, participation was not viewed as a key feature in the proposed reforms.

A second consideration relevant to the time variable is that of financial resources. While the prevailing attitude during the mid-sixties was one of increasing



government expenditures, the context of the mid-seventies was different. By this time the prevailing attitude was one of restraint. This is important for two reasons. First, given Regan's reliance on his Minister of Finance for financial advice, the latter's cautious approach to spending greatly influenced the Premier's attitude towards the proposed reform. Second, the context of restraint precluded any significant increase in the level of services in Nova Scotia after the provincial takeover of any general service. The case in New Brunswick was different; the 'Program for Equal Opportunity' resulted in a dramatic increase in the level of services, notably in education where a massive program of school construction was undertaken. Moreover, property taxes were reduced in some areas. Although this sharp increase could possibly have been achieved without the large-scale disruptions in the provincial-municipal relationship that occurred in 1967, it nevertheless enabled the Robichaud government to point to the benefits that were considered a result of this program of major reform, or were perceived to be forthcoming. The Liberal victory in 1967, an election fought largely on the issue of 'Equal Opportunity',<sup>6</sup> testifies to the visibility of the expected returns from this major reform. The consideration of increased levels of services is in effect related to both the context of restraint and the conditions existing prior to the Royal Commission.

The time difference is also important in terms of the issue of development. The 'Program for Equal Opportunity' in New Brunswick was as much, if not more, a program of modernization and economic development than one of municipal reform. During the ten year interval between the Byrne and Graham Commissions, the federal government had initiated many efforts to deal with the problem of regional development. The Department of Regional Economic Expansion was created in 1969 to promote regional development. Moreover, the most economically-depressed area of Nova Scotia, Cape Breton Island, was being served by DEVCO which had as its mandate the development of that region. Thus, the key issue of development in evidence in New Brunswick during the time of the Byrne Commission was less of a factor in Nova Scotia when the Graham Commission submitted its Report.

However, it had been considered important in 1968 by Lawrence Sandford, later Secretary to the Graham Commission, when he argued for large-scale amalgamations as an aid to economic development.

This paper considers the restructuring of local government in Nova Scotia by the amalgamation of municipal units and inquires whether and in what ways amalgamation can be an aid to economic development.

The answer given is that a program of amalgamation, undertaken after careful study on a province-wide basis and following a carefully planned promotional campaign to

gain public acceptance, can be a key factor in the economic progress of the province.<sup>7</sup>

Sandford's basic argument was that the creation of larger and more efficient municipal units would enable municipalities in Nova Scotia to respond adequately to the needs of economic and industrial development. His proposal called for the creation of ten one-tier municipal units in Nova Scotia which integrated both urban and rural areas. Although not necessarily conclusive of Sandford's influence on the Graham Commission, it is noteworthy that the Commission proposed eleven one-tier urban/rural municipalities.

Another important environmental factor is the conditions existing prior to the Royal Commissions. From the evidence presented in the Reports of the Royal Commissions, it is clear that the situation in relation to the delivery of services was considered more urgent in New Brunswick than in Nova Scotia. The low level of many services, such as education, health and welfare, and the glaring regional inequalities that existed were amply documented by the Byrne Commission. Most of the grants to municipalities were either on a per capita or shared-cost basis and thus provided no relief for the poorer areas of the province. Those based on a percentage of expenditures incurred actually provided less for the poorer regions of the province than the more affluent regions.

The situation in Nova Scotia was different.

Although the Graham Commission was not entirely satisfied with the level of services being offered in many areas, the overall level of services was reasonably high and regional disparities were less noticeable. This was due in large part to the implementation of the Pottier Report in the 1950s when the province increased substantially its aid to municipalities for education with the introduction of an equalization grant to support a minimum foundation program. As a result, many of the poorer rural municipalities received close to 90% of the shareable operating costs of education from the provincial government, thus alleviating much of the regional disparity in the level of educational services. These equalization grants were ~~later~~ (in 1967) applied to many other municipal services.

Aside from the lack of urgency, it can be argued that if there were any 'injustice' in the Nova Scotia provincial-municipal financial relationship, it was perpetrated against the major metropolitan area, particularly the City of Halifax. Because of the foundation grant formula brought in after the Pottier Report, the City of Halifax, along with other urban centers, received only 25% provincial support for shareable education operating costs. However, even this support would not have been forthcoming had the original Pottier formula been implemented without a provision

for a minimum level of provincial support. Property values in the City of Halifax, being much higher than in other areas, enabled the City to provide a large share of the cost of education. Whether or not the City of Halifax should receive more provincial funding is not important. What is significant is that it would have been politically difficult to defend a program of massive reform benefitting mainly the major metropolitan area, Halifax.

The environmental factors discussed obviously are useful for an understanding of the situation in both New Brunswick and Nova Scotia in relation to the Byrne and Graham Commissions. These factors are primarily useful in the analysis of the various demands made upon governments. Groups and individuals pressing demands upon governments obviously do so as a result of existing environmental conditions. As noted in Chapter 1, however, Salisbury rejects the idea that demand patterns merely reflect environmental conditions; these conditions influence but do not 'determine' demand patterns.

### Theoretical Considerations

In addition to providing an explanation for the differing policy impacts of the Byrne and Graham Commissions,

this study provides an opportunity to gain additional insight into Salisbury's model. In particular, the conceptualization of demand patterns and their relation to decisional structures need to be elaborated upon.

Although apparently neglected by policy theorists as well as by Salisbury, his distinction between demand patterns of limited and broad scope proved to be important for the analysis of the policy impacts of the Byrne and Graham Commissions. This distinction permits a differentiation between two obviously dissimilar situations which, however, can be categorized as integrated according to Salisbury's typology.

The introduction of the concept of broad and limited scope of demand patterns results in four distinct demand patterns which, coupled with the distinction between fragmented and integrated decisional systems, should lead to an eight case policy matrix (see Figure 8-1). Although Salisbury does not expand his matrix, he nevertheless suggests that each type of demand pattern is associated with a different policy outcome, described in Chapter 1. This study supports Salisbury's suggestion that integrated demand patterns of broad scope are associated with redistributive policy whereas integrated demand patterns of limited scope are associated with self-regulatory policy.

FIGURE 8-1  
MODIFIED POLICY TYPOLOGY

		Decisional System	
		Integrated	Fragmented
<u>Demand</u> <u>Pattern</u>	Integrated-Broad	I	II
	Integrated-Limited	III	IV
	Fragmented-Broad	V	VI
	Fragmented-Limited	VII	VIII

What then becomes of the decisional system as an explanatory factor? Is it discarded or can Salisbury's model be reformulated to accommodate the existence of four distinct demand patterns? It was argued in Chapter 7 that the existence of strong integrative mechanisms such as the Cabinet Committee on Government Organization and the Office of Government Organization was necessary for the implementation of the 'Program for Equal Opportunity'. However, these were only created after the Robichaud government had given approval in principle to a program of massive reform, including substantial redistributive elements. Moreover, it was already evident to the government that there would be opposition to the program.

If the evidence suggests that strong integrative mechanisms were necessary for the introduction of redistributive policy in New Brunswick, then it does not seem appropriate to discard the decisional system as a key factor. On the other

hand, the lack of broad goals or objectives in the Graham Commission's proposals led to an integrated demand pattern of limited scope which precluded any major reorganization of provincial-municipal relations'. Thus, demand patterns also cannot be discarded as explanatory factors.

One way out of this situation is to argue that demand patterns are a necessary, but not sufficient, condition for the emergence of a particular policy type. The decisional system thus remains an essential factor in that the appropriate decisional system is necessary for the successful emergence of a particular policy type. This obviously is more important in relation to both redistributive and regulatory policy, where integrated decisional systems are needed. A generally highly integrated system can easily delegate authority or 'fragment' its mode of operation in relation to a particular policy sector. On the other hand, a highly fragmented system cannot as easily achieve integration when faced with the need to do so in response to demand patterns of broad scope.

The decisional system is thus viewed as a necessary ingredient for the successful implementation of a particular policy, and thus can also be a response to demand patterns and policy decisions; that is, the decisional system does not necessarily have to be highly integrated for the conception of redistributive policy such as New Brunswick's 'Program for



Equal Opportunity'. However, an integrated decisional system will have to be in place for the policy decision to be translated into more substantial redistributive policy outputs. Seen in this light, policy is not necessarily the result of both demand pattern and decisional system; the decisional system may in fact be the result of the policy, or at least of the perceived policy output.

This latter formulation sheds more light on the debate stemming from Lowi's suggestion that 'policies determine politics', which will be briefly addressed here given that Salisbury's model is considered part of the 'policy content' approach. Lowi has argued that the perspective of his approach "is the very opposite of the typical perspective in political science, for it begins with the assumption that policies determine politics".<sup>8</sup> This constitutes a different analytical perspective in that policy is now seen as an independent rather than a dependent variable. Jenkins argues that the thrust of the argument for those who focus on policy content is "that policy may, in some circumstances, be seen as a variable in its own right, having a distinct and identifiable impact on the political system".<sup>9</sup> Ashford<sup>10</sup> and Kjellberg<sup>11</sup> also advance views compatible with Jenkins' comment.

Salisbury's approach adapts Lowi's policy typology and emphasis on policy content, although he rejects Lowi's

perspective of policy as an independent variable and policy again appears to become a dependent variable. Jenkins argues, however, that Salisbury's position may be closer to one in which policy and 'politics' interact with each other, 'politics' in Salisbury's model being disaggregated into demand structure and decisional system.

Like Lowi, Salisbury links 'activities' of political behavior with 'issues' of policy and tries to tease out the interrelationships. This dynamism is undoubtedly the central contribution in a focus on content, and the move towards achieving it is evident in the work of both Salisbury and Webb.<sup>12</sup>

Thus, although Salisbury does not accept Lowi's proposition that 'policies determine politics', his approach allows some flexibility in terms of the causal relationship between policy and both demand patterns and decisional structure.

This flexibility is evident in the formulation which establishes an association between four patterns of demands and four corresponding policy types. The decisional system may well be modified or altered as a result of emerging demand patterns and perceived policy outputs. To the extent that the resulting policy process is a consequence of those changes, it would be plausible to suggest that policies, or at least perceptions of policy based on emerging demand patterns, determine politics. However, Jenkins' comment on the 'interrelationship' between policy and politics is the more appropriate conceptualization of the

relation between policy and both demand patterns and decisional system; that is, there may be a reciprocal cause-effect relationship between policy and politics, especially if politics is disaggregated into demand structure and decisional system.

### Summary

In Chapter 1, it was argued that political variables are more important than environmental variables for the explanation of public policy. As a result, Salisbury's approach to the study of public policy was adopted rather than the output studies approach. This approach is based upon the categorization of policy outputs and the analysis of demand, patterns and decisional systems.

Although to some extent regulatory, the New Brunswick experience following the Byrne Commission was one of redistributive policy with the introduction of the 'Program for Equal Opportunity' which resulted in massive changes in provincial-municipal relations. An analysis of the demands in relation to the Byrne Commission confirmed that they were of an integrated pattern of broad scope, hypothesized by Salisbury to be associated with redistributive policy. The New Brunswick experience was one of redistributive policy in the context of important linguistic

cleavages. The regional inequalities addressed by the 1967 reforms were perceived to benefit primarily the francophone population of New Brunswick, along with the rural areas in general.

The decisional system in New Brunswick was found to be highly integrated in relation to the 'Program for Equal Opportunity'. In addition to the key leadership role played by the Premier, strong coordinative mechanisms such as the Cabinet Committee on Government Organization and its secretariat (OGO) were set up to implement the program of reform. The integration needed to successfully bring about the 'Program for Equal Opportunity' included the blurring of the policy/administration dichotomy. Senior elected and non-elected policy-makers worked very closely together in the operation of the Cabinet Committee and OGO.

The Nova Scotia policy response to the Graham Commission was one of self-regulatory policy in that the provincial government delegated de facto authority to the municipal sector, through the Union of Nova Scotia Municipalities, for the development of policies pertaining to changes in provincial-municipal relations. Although usually utilized in the context of professional or economic groups, the concept of self-regulatory policy best describes the situation of de facto authority in Nova Scotia following the creation of the Joint Task Force in 1976. The decisional

system in operation in Nova Scotia pertaining to the Graham Commission was highly fragmented. There existed virtually no central coordinating agencies. The locus of power rested with the Department of Municipal Affairs, or more appropriately, with the Joint Task Force largely dominated by the UNSM.

Although different from the New Brunswick situation, the demand pattern in Nova Scotia can also be described as integrated; it was, however, of limited scope. The major actors were the UNSM and individual municipal units.

Although an analysis of the various briefs indicates some differences, there was a generalized perception on the part of the government that the municipal sector was uniform in its opposition to the Graham Report and in the demand for increased participation in policy-making relating to the municipal sector. This resulted in the creation of the Joint Task Force and contributed to the importance of the UNSM.

In addition to providing an explanation for the policy impacts of the Byrne and Graham Commissions, this study has shown that the theoretical elements contained in Salisbury's conceptual scheme can be useful for the study of public policy. In order to apply the model, however, refinements had to be made. First, the decisional-system had to be defined in terms of the key elements of the Canadian political

system. As a result, the decisional system was examined largely in terms of executive-bureaucratic arrangements.

Secondly, Salisbury's seemingly neglected distinction between demand patterns of limited and broad scope was utilized, and proved of importance for the analysis of demand patterns. This led to a reformulation of Salisbury's original model. Although each kind of demand patterns is now seen as being associated with a particular policy type, the structure of the decisional system nevertheless remains an essential factor for the successful emergence of a particular policy type.

In other words, demand patterns are a necessary, but not sufficient condition, for the emergence of a particular policy type. Policy is thus still seen as the result of "the interactions of demand patterns and the decisional system."<sup>13</sup>

## FOOTNOTES

1. Jean Meynaud et Jacques Lèveillé, La régionalisation municipale au Québec (Montréal: Nouvelle Frontière, 1973), 42.
2. Jack Brand, "Reforming local government: Sweden and England compared" in Richard Rose (ed.), The Dynamics of Public Policy (Beverly Hills: Sage, 1976), 419.
3. See John Dearlove, The reorganisation of British local government (Cambridge: Cambridge University Press, 1979).
4. Cyr, "Le programme 'chance égale pour tous'", 136-137.
5. T.J. Plunkett, "Structural Reform of Local Government in Canada", Public Administration Review, 33 (January-February 1973), 48.
6. Some would argue that Van Horne's personality was also an important factor influencing the outcome of the provincial election. Though this is not disputed, it remains that the 'Program of Equal Opportunity' was hotly debated from 1965 onwards and Premier Robichaud made the program the centerpiece of his election strategy.
7. Lawrence Sandford, "The Restructuring of Local Government", 1.
8. Lowi, "4 Systems of Policy", 299.
9. Jenkins, Policy Analysis, 94.
10. Douglas E. Ashford, "The Structural Analysis of Policy: Or Institutions Really Do Matter", in Douglas E. Ashford (ed.), Comparing Public Policies: New Concepts and Methods (Beverly Hills: Sage, 1978).
11. Francesco Kjellberg, "Do Policies (Really) Determine Politics? And Eventually How?" Policy Studies Journal, 5 (Special Issues, 1977), 554-570.
12. Jenkins, Policy Analysis, 104.
13. Salisbury, "The Analysis of Public Policy", 165.

# APPENDIX 1 - LIST OF PERSONS INTERVIEWED

Edward Allen	Former Deputy-Minister of Municipal Affairs, New Brunswick
Byron Anthony	Former Deputy-Minister of Municipal Affairs, Nova Scotia
Kell Antoff	Director, Institute of Public Affairs, Dalhousie University
Armand Bannister	Former Executive Assistant to the Minister of Municipal Affairs, New Brunswick
Alexandre Boudreau	Member of the Byrne Commission
John F. Cameron	Former Director of Research, Nova Scotia Department of Municipal Affairs
Fred R. Drummie	Former Director of the Office of Government Organization, New Brunswick; also former Secretary to the Cabinet, Nova Scotia
John F. Graham	Chairman, Graham Commission
Henry Irwin	Former Minister of Education, New Brunswick
Paul C. Leger	Former Director of the Office of Government Organization
J. Fraser Mooney	Former Minister of Municipal Affairs, Nova Scotia
James F. O'Sullivan	Secretary to Byrne Commission
Gerald Regan	Former Premier of Nova Scotia
Louis J. Robichaud	Former Premier of New Brunswick
Lawrence Sandford	Secretary to Graham Commission
Donald Tansley	Former Deputy-Minister of Finance, New Brunswick
Norbert Thériault	Former Minister of Municipal Affairs, New Brunswick
Barry Toole	Formerly with the Office of Government Organization



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